

MARCH, 1955



Albuquerque, New Mexico—"The Duke City"

ALBUQUERQUE, NEW MEXICO, with its historical background, dating from the era of Spanish Conquistadores and pioneer builders of the West, has grown to a position of prominence in the parade of economic progress and won recognition as the nation's fastest growing city. Located on mesa land between backdrops of scenic mountains covering 52 square miles, it is situated in the approximate center of the state. The city is a major distributing point for the Rocky Mountain states area with important expansion in wholesale operations and dealership concerns for a wide range of products.

Agriculture and livestock raising has long contributed to the growth of the city and is one of the established basic factors in its economy. Outstanding in the phenomenal expansion of commerce and population growth is the position of Albuquerque in the advancement of the atomic age. The climate of Albuquerque is tradi-

tionally recognized as one of its principal resources with the average maximum temperature in midsummer of 90 degrees and a low of 35 per cent humidity average.

It is the home of the University of New Mexico with an enrollment of 4,000 students and 66 public schools with an enrollment of 41,113. With five public hospitals, including the recently completed \$3,000,000 County-Indian hospital and the United States Veterans hospital, Albuquerque is the health center of the Southwest. The Lovelace Foundation for Medical Research and Education has recorded outstanding developments in the field of aviation medicine and operates a Radiation Therapy Center for the treatment of cancer.

Albuquerque is the home of the Albuquerque Retail Credit Association with 232 members operating under the direction of Chapin S. Carnes.

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The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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Volume 43

March, 1955

Number 6

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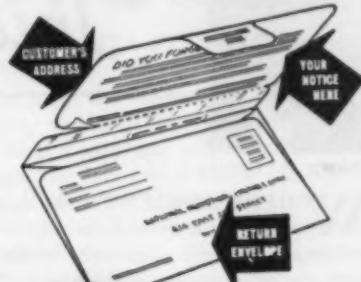
CIRCULATION OF THIS ISSUE 40,000

Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published monthly. Subscription \$3.00 a year, to members of the National Retail Credit Association only. Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given. Please advise us immediately of any change in your address to avoid interruption in receiving The CREDIT WORLD.

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Chapin S. Carnes

"This Is Albuquerque"



John A. Ward

WHERE ANCIENT Indian civilization meets the most recent developments of atomic power; where buildings that have withstood the elements for centuries meet the most modern architecture; this is Albuquerque, New Mexico. It is located on the famous Rio Grande, which at flood stage can be a mighty roaring river, but late in the summer, merely a shallow stream barely 50 yards wide. Being the largest city in New Mexico, it has grown "like Topsy" from a city of 35,000 in 1930, to the present population of 159,000 within the city limits. Including the suburban areas, the figure reaches 190,000, and has been rated as the fastest growing metropolitan area in the country during the past few years. Why this rapid growth? There are many reasons: It is the capital of our atomic weapons program centered at Sandia Base; the county seat of Bernalillo County; and the home of the University of New Mexico, with an enrollment of over 4,000 students. Its archeology school is nationally known.

Here the crews of the supersonic jet planes and bombers are trained at Kirtland Field Air Force Base to deliver atomic bombs in case of attack. You can enjoy skiing at the La Madera Ski Area in the near-by Sandia Mountains, and an hour later be golfing on one of the local courses in your shirtsleeves. If you wish a scenic drive, you can ascend the mountain on the east side by car to the crest 11,000 feet high, and get a magnificent view of the valley and the mountains to the West.

Plaza Is Rich in History

On the west side of the city, we find the Old Town Plaza, which is rich in history and has been standing for over 250 years. There we find the Church of San Felipe de Neri, built of adobe walls five and one-half feet thick, where services have been continuous for 247 years.

Last year building permits numbered 4,233, totaling \$33,881,313.80, with over 2,700 new homes being constructed. Being centrally located in the state, it is the mecca of all state conventions. Adequate transportation facilities are available, as the city is on the main line Santa Fe Railroad, transcontinental bus lines, and four large air lines. Here the New Mexico State Fair is held each year, with its fine horse races, exhibits, and rodeos.

Being approximately one mile high, Albuquerque does have an ideal climate. Sunshine averages 88 per cent, and from January, 1954, to January, 1955, the sun shone all or part of every day for 365 days. The average rainfall is around 8 inches per year. The air is dry and invigorating, and heat prostrations and tornadoes are unknown.

The city marked the end of the journey, or the

terminal point for many of the wagon trains traversing the old Santa Fe Trail. It has grown from a small western city, where everyone called each other by his first name, to a large city where one is fortunate to recognize a friend on the streets. This is a cosmopolitan city, with people coming here from all states and all climes. People are friendly, and democratic. The city government is administered by a city manager type of government, with five prominent businessmen making up the City Commission.

Being noted as a health center, it is also getting quite a reputation as a medical center as well. With four large hospitals, Medical Arts Center, the Lovelace Clinic, and over 180 physicians in the city, almost any medical or surgical need can be met by a specialist.

New Mexico being the fourth largest state in the Union, almost any type of climate can be found near at hand. Within a few hours, one can drive to ancient cliff dwellings, or Indian pueblos, and there find color, atmosphere, and many fascinating scenes. In season, one can hunt deer, elk, antelope, bear, and mountain lion. Fishing is always good in many mountain streams and lakes. It is truly the Land of Enchantment, and the crossroads of artists who desire to both paint and photograph the many beautiful landscapes and quaint native people.

How did Albuquerque get its name? (It is pronounced Al-bu-ker-key.) In 1706, when Don Francisco Cuervo y Valdes established the original villa, it went down on the records as San Felipe de Neri de Alburquerque, thus honoring Philip V of Spain, and Viceroy of New Spain, the Duke of Alburquerque. With the passing of generations, the Philip was dropped, and Duke lost one of his "r's." Thus the city is commonly known as the "Duke City."

An Efficient Credit Organization

Any article would be incomplete without touching on our accomplishments and goals, credit-wise. Through the organizational ability of Chapin S. Carnes, the owner and manager of the Credit Bureau of Albuquerque, as well as the leadership of many credit managers, we have an effective and efficient community-wide credit organization. Our Albuquerque Retail Credit Association, a unit of the National Retail Credit Association, and its companion, the Credit Women's Breakfast Club, are aggressive in their education of both consumer and credit personnel. This is achieved through regular meetings, credit schools, conventions, regular newspaper advertising, and a strong central reporting and collection setup at our Credit Bureau. We are intensely proud of the ability of our past and present leaders, and justly

(Turn to "Albuquerque," page 24.)

Granting Credit in an Expanding Community

B. C. STROMBERG, Stromberg's Men's Wear, Albuquerque, New Mexico

ALBUQUERQUE, the hub and largest city in New Mexico, is one of the fastest-growing cities in the United States. Its growth from 35,000 in 1940 to some 98,000 in 1950 was one of the spectacular population gains in this country and it is still growing. The metropolitan area (Bernalillo County) has increased in population from 145,000 to over 175,000 from 1950 to 1954. Credit granters in a fast-growing city such as Albuquerque possibly encounter a few problems that may not always be present in a city of comparable population but which attained its size by slower, steadier growth and which has, on the whole, a longer established population.

With a fast influx of new population it is only natural that there will be a comparatively greater number of new credit applications to process. With this increase in business the problem arose, in many cases, of more rapid training of credit personnel, enlargement of physical facilities and office space, as well as the need for more modern equipment and methods designed for better, faster, and more efficient handling of credit business from the new application right through to the billing and collection departments.

At this point the writer has the feeling that the reader may properly ask, "Why does this new population come to Albuquerque and what occupations do they enter when they establish residence here?" A good part of the answer lies in the fact that after World War II the expanding population and business of Albuquerque was strengthened by the establishment of Sandia Base, the Special Weapons Project of the Atomic Energy Commission, which today employs approximately 6,000 people. Also Kirtland Air Force Base, the air wing of the AEC, added thousands of people and millions in payrolls to the city. Albuquerque is the seat of more than 100 other Federal civil agencies which contribute more millions to the city's economy. However, manufacturing, distribution, transportation, education, hospital and medical services are increasing rapidly, thus creating a more stabilized and diversified economy.

The writer would place the majority of the new population in three broad, general categories:

1. Persons who have accepted or arranged for positions before coming to Albuquerque. This includes engineers and technicians with the AEC and other government agencies and also those with specialized training for the expanding business, industrial, professional, and educational services.

2. Those who come to Albuquerque seeking new op-

portunities in business, industry, and the professions.

3. Military personnel.

In any credit operation the fundamental principles of proper credit granting should, of course, prevail. Ability to pay, intention to pay, and past performance are information necessary to analyze and evaluate a credit application properly. Many new residents have their credit file transferred to the Credit Bureau of Albuquerque and thus are able to have their credit application approved almost immediately. In the case of many others, however, the local Credit Bureau has no credit information immediately available, hence a considerable delay in many cases in having credit approved. Several credit managers in Albuquerque have stated that in cases involving credit requests by new citizens, particularly those in the first category mentioned above, they have turned the application to the Credit Bureau with the request for an immediate job check. With favorable information from the Bureau indicating permanence of employment and ability to pay, the account is opened on a limited basis until the Credit Bureau obtains more complete information. These credit managers report satisfactory experience with this method.

In addition to civilian trade in our store, considerable business is done with military personnel. The Credit Bureau of Albuquerque has credit information on most of the officers. However, the many enlisted men at Kirtland Air Force Base and Sandia Base are, in the main, young single men, most of whom have had little or no previous credit experience. When credit accounts are opened for these men, a complete credit application is taken and also serial number, name of Commanding Officer, and discharge date are obtained. A definite credit limit is set, according to rank of applicant. This information is given to the Credit Bureau which checks with the applicant's Commanding Officer, who either approves or does not recommend credit, as the case may be. Our credit personnel feel a special responsibility to see that these young men, many using credit for the first time, are taught to meet their obligations according to agreement and not to overbuy.

With people coming to Albuquerque from many different cities it is worth noting that persons from certain cities meet their obligations promptly and as per agreement while those from certain other cities are more careless in this respect. Perhaps there is a lesson in this as it occurs to me that possibly it is a matter of education and training by credit granters in certain cities or the lack of it in certain other cities. ★★

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National Retail Credit Association

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So You Want to Be a Credit Manager!

J. C. Randolph

Southern Union Gas Company, Albuquerque, New Mexico
President, Albuquerque Retail Credit Association

I AM NOT an expert on the subject of what it takes to be a successful credit manager, but I will try to give you what information I have gathered from my limited experience, reading numerous publications, and from my association with credit people. To begin with, credit work has now attained the status of a profession. The field of retail credit work is a specialized section in business and offers a career to those who have the necessary qualifications. The first step is the same for anyone considering any profession: a careful analysis of yourself and the essentials needed for success in that field.

Credit work has one outstanding characteristic: You will never find it monotonous. Every time you pick up the telephone and every time someone walks into your office, there will be a problem presented to you that will require every resource at your command to handle it successfully. I will grant you that you will be tired at the end of a day's work, but, believe me, you will never be bored.

First, a credit man must be a good analyst. To be a good analyst you must possess a patience for details, the ability to break problems into component parts and view only the essential elements, and to be enough of a judge to weigh carefully and accurately information of varying degrees of fact and importance.

You must be thorough. However, thoroughness is not to be confused with wasted effort and needless detail. Thoroughness is delving into just enough of the detail to do an efficient job without leaving undone and uninvestigated any factor which might prove to be a source of needless errors of appraisal.

A credit executive without tact is comparable to a ship without a rudder. Tact, according to Webster's Collegiate Dictionary, is: "sensitive mental perception; nice discernment of what is appropriate to do or say in dealing with others without giving offense." In other words, in order to extricate yourself from a misunderstanding, you must be able to give rapid appraisal of existing circumstances and handle them in the most effective and persuasive manner. Tact requires a good memory, not of all customer names, addresses, and account balances, but of people, their particular problems and your relationship to them. Anyone can say "yes," but the test of diplomacy is to say "no" and retain, at the same time, the good will of the customer and the salesman. Of course, the sales department must be familiar with the credit manager, the credit department, and the need for credit investigations and decisions. This does not mean that the salespeople will cheerfully accept every rejection, but when they understand the relationship between the credit department and the successful operation of the business as a whole, the task will be much easier. A good credit executive must sell himself to the sales department.

The customer presents a different problem. Most customers can and will pay promptly for every purchase, limiting themselves to those purchases which can definitely be paid. Other customers will pay but take their time about it. The tough ones are the customers who will not pay, and the customers who overbuy. Careful investigation will, in most cases, take care of the "won't pays."

That leaves the person who overbuys as the real test for diplomacy. These individuals usually possess a satisfactory credit record, but they must be ever so gently restrained or they will become overobligated. You realize that credit policies in different stores vary widely. A large retail merchant will usually have varying policies for different departments and kinds of merchandise. The bases for these policies are numerous, but a few of the major reasons are: the type of store, the location of the store, the management and/or ownership of the store, the line of merchandise, the financial position of the store, the rate of depreciation and the resale or lack of resale value of the merchandise, the geographical location of the city, the economic conditions of the area, the local policies of competition, and many more. These factors point out that some customers can be sold certain merchandise on certain terms up to certain limits, but cannot be sold under all circumstances.

In many cases the customer knows that he is overbuying. Yet a convincing sales talk causes him to forget the debt into which he will plunge and remember only the pleasure and pride that he would have by owning the merchandise. At this point the customer is enthusiastic over the purchase and the salesman is beside himself with the prospect of a nice commission. Now you, as credit manager, enter the picture and, after a thorough check of the sale, decide that the sale would result in a disservice to both the customer and the store. If you can refuse this transaction and maintain the good will of the customer and the salesman, then you are a diplomat.

Credit Managers Should Be Alert

A successful credit manager "feels the pulse of the public." By this I mean he is alert. He is alert to those little things that can oftentimes mean the difference between profit and loss for his company. A much used barometer of the trends in business is the credit departments of businesses. Any time you want to really know what is happening to business, visit a credit department. Sales analysis is only part of the picture. The credit executive is sensitive not only to new business but also to what is happening to the sales already on the books and to the people who owe for them. Their fortunes, good and bad, are there on the books and pointed up by credit reports that show many past-due accounts.

Character is a difficult term to describe, but rest assured it is certainly a part of the credit man's assets. Character in a credit manager is in his strength of convictions. A credit manager must make an endless number of important decisions affecting the customer, the sales department, and the company. This means, as previously brought out, a careful weighing of the facts and once the decision is reached, adhering to it. However, do not confuse this firmness with obstinacy. His strength of character must be able to withstand the instances of criticism and resentment which inevitably will come to him. At the same time he must retain his sense of humor and balance necessary to maintain his feeling of well-being and continued contentment with his work.

Sympathy, understanding, and patience are qualities not usually attributed to credit executives. Fortunately nothing is further from the truth. The public has a tendency to remember only the unpleasant side of a credit experience. Many hundreds of unpublicized acts of kindness and consideration are extended daily by the credit department. The credit manager is constantly easing the feelings of unfortunate customers and helping them over those rough spots that crop up from time to time in our daily living. A "Simon Legree" is not a desirable credit manager.

These character qualifications for a credit manager could hardly be called a complete list, but I feel they represent the most important ones. I think they form the background necessary for success in credit. Experience in the credit field merely accentuates and refines these qualities. Credit work *has* reached the status of a profession. This means we have now reached the point where young people are seeking to enter the field as a career. What educational training would help to make a good credit manager? All that was necessary, 20 or 30 years ago, was a high school education. Since then the expansion of retail credit has made its longest strides. Much more knowledge of law, accounting, and economics is required of the credit man of today than of yesterday. A large percentage of credit executives now in the field have been working with credit for many years. These men were trained in the school of experience; they helped develop and push along the rapidly expanding retail credit field. They are the men who developed the phases and policies of retail credit which the student today now studies in college.

Specialized Credit Training Is Helpful

Specialized educational training in the credit field is indeed helpful, but one of the most important requisites of a good credit manager—or for any responsible position—is the ability to read, write, and speak the English language. After two years of college English, the student either knows his English or knows when he does not know it! In the latter case he "looks up" the point in question. It is not necessary and almost impossible to retain in your mind all the rules of English in its spoken and written form. But constant and rigorous study trains the student to recognize when something is wrong. The ability to recognize an error, no matter how vaguely it is recognized, gives you the chance to rectify it.

Next in importance to English are the social sciences: history, government, and economics. A thorough knowl-

edge of economics proves invaluable to a credit manager. The last two years of college the prospective credit manager devotes to his technical training. The courses which he would include in his curriculum at this stage are listed below with a short explanatory description.

Accounting: The elementary course in accounting and accounting theory would be sufficient for accurate record keeping and analysis. However, a course in cost accounting and accounting theory would certainly prove helpful.

Business Law: Credit men are not lawyers but they deal with legal business forms. Basic knowledge of form and content of these papers is essential. The courses offered generally cover contracts, negotiable instruments, bailments and carriers, sales, partnerships and corporations, real estate, and labor law.

Federal Income Taxes: Knowledge of income tax laws is a *must* for the modern businessman. This course also includes a study of social security taxes.

Business Correspondence and Report Writing: A *must* for the future credit manager! Rigorous and exacting training is given with special emphasis on how to write collection and credit letters and how to answer complaint letters. Advertising and sales letters, letters of recommendation, and job application are also studied.

Credit and Collections: A future credit executive would immediately see the value of this course! This phase of training will vary in content and form with different schools, but the elements involved will be standard wherever studied.

Office Management: A most helpful course as the majority of credit managers have a staff of employees to supervise. This is principally a course in office layout and work flow.

Personnel Management: Most credit men are their own personnel managers. Personnel problems and employee training are thoroughly discussed in this course.

Business Statistics: Businesses are using charts and graphs more and more to consolidate and present business information, for they have proved extremely useful in presenting large volumes of material in a limited space, which, in turn, provides an ease of analysis.

Marketing: This course will show you how the procurement and distribution of goods is accomplished.

The aforementioned background and educational preparation will, I believe, equip you for a successful career as a credit manager. When you have prepared yourself and secured a position in credit work, the future depends upon hard work and application of your training.

Let us examine what fruits of success will be yours after you have reached your goal. They are many. First of all, you will have a job that will keep you on your toes, your mind alert and active all day. So, it will be an interesting, thought-provoking job. You will be one of a mighty fine group of people. Credit men are excellent citizens, and many are active in civic, church, and charitable organizations. You can become a member of numerous organizations in the credit field which meet regularly for the interchanging of ideas and experiences. Your social contacts with fellow credit workers will be most pleasant and satisfying. Finally, you will have the knowledge that your work has an important place in the business world of today.

25 Ways to Locate Skips or How to Find a Credit Evader

EDWARD L. KAUFMAN, *Credit Manager, Oden Chevrolet, Inc., Albuquerque, New Mexico*
Vice President, Albuquerque Retail Credit Association

YOU WILL probably say that locating skips is impossible, but the results of a panel discussion covering two monthly meetings of the Albuquerque Retail Credit Association have revealed a startling fact: General agreement was reached, that if all methods were used, plus the suggested means of preventing them in the first place, we would not have skips, unable to locate.

We were most fortunate in securing for our panel four outstanding credit men. Since Albuquerque contains so many, it was not too difficult to complete our panel with the following men who are blessed with unquestioned ability and experience: Victor Hartzell, Kirkpatrick Finance Company; P. W. Helmer, Operating Manager, Montgomery Ward & Company; Bert Jonas, Manager, Seaboard Finance Company; and A. D. Partee, Manager Collection Division, Credit Bureau of Albuquerque.

Naturally, the best method of preventing a skip is careful and thorough interviews and checking of applicants when credit is requested, plus a shrewd analysis of the facts to determine future possible credit liabilities. While great emphasis is properly placed, as it should be, on the importance of the famous three C's of credit granting, it is wise to be on the alert for three seldom recognized enemies of all credit granters, otherwise known as the three H's; especially when we develop collection problems and skips. Here they are:

Hunger: Too hungry for business to stop and consider, completely, future credit liabilities.

Haste: Too busy to evaluate properly facts concerning applicant.

Harassment: Too confined with detail, necessary or otherwise, to analyze credit request carefully.

Some of us feel we are not guilty of all three, but I wonder who can honestly say that they have not been guilty of at least one, at some time. Our panel next developed five qualities most needed to be successful in skip tracing. While these qualities are naturally essential in the performance of any job, it was agreed that because skip tracing represents an unusual challenge, they are vitally necessary in that field.

Thoroughness.—Check every conceivable clue and source of information without exception.

Ingenuity.—Develop and use talents for this work with sharpness, invention, and skill.

Detective.—Check all leads in person. You are after a credit criminal.

Foresight.—Know your goal, anticipate your result, and do not rest until it is achieved.

Patience.—Never give up, regardless of apparent lack of result. Make a periodic check of the file until located.

After deciding what kind of person we needed to find a skip, we created a John Doe character, who left the city owing large amounts to several creditors, touching briefly on all the steps used to find Mr. Doe. The panel unanimously agreed that if these methods were followed according to the five principles mentioned, Mr. Doe

would be found. Although there are certain methods known and used that border on the illegal and do not conform to high standards of business conduct, it was agreed that our procedures would stay within the realm of courteous, legal, and good business procedures.

Skip tracing is sometimes a long-drawn-out procedure. Space limits reporting our complete discussion. However, to provide a suggested permanent record, each step will be explained briefly, hoping that the contents will suggest other methods leading to success. Extreme importance was placed on keeping careful records of each clue because we are never aware how it might profitably be used later. These procedures are not necessarily listed in the order of their importance, although those listed first are most frequently used. By the time you reach Step No. 9 your skip should be located.

1. Relatives: Probably one of the best sources, if you can get them to talk, and there are ways as follows:

When contacting relatives by phone, never state name of firm. Always introduce yourself as though you were a personal friend, like this:

"Mr. X, this is John Jones and I am trying to locate John Doe, who is a relative of yours. Do you have his present address?"

Another approach:

"Mr. X, this is John Jones and I have something to send John Doe. Do you have his address? I know he will appreciate your giving it to me, as I am anxious to contact him."

Panel Suggestions

Here is another method suggested by the panel:

"Hello, may I speak to John?"

"John who?"

"John Doe."

"He doesn't live here."

• "He doesn't? Oh, I'm sorry, I must have the wrong number. Do you happen to have his number?"

"No, he left town."

"Is that right? Well, you know this is John Jones calling and he was to have left his address with me. Do you happen to have it?"

"What do you want it for? Are you one of his creditors?"

"Creditors? Why do you say that?"

"Well, they have all been calling up here and I don't know where he is."

"Well, I'm sorry he has gotten himself in that kind of a situation. If I had his address I'd like to write him; I may be able to help him out" (of debt), and then continue to press the matter diplomatically for the information you want. Remember, never identify yourself with business. Always keep the conversation on a personal basis. It will frequently throw the most wary person off guard.

When circumstances permit, personal contacts with children would bring good results, especially if you have a

few candy bars with you. When the relative is in another city, special technique must be used through the mails. Just a letter asking address will sometimes work, but we are not looking for the easy kind of skip.

Again being personal, use personal stationery with a short note as follows:

Dear Mr. X:

I am trying to locate John Doe for personal reasons, and I do not have his address. He once told me you were a relative of his, and I thought perhaps you could help me. Please write soon and send me John's address. It's quite important. Thanks so much.

Cordially yours,

Use name and home address of an employee not known to Mr. Doe. He may be there and might answer himself. Always use male name if you are seeking a man, and vice versa. Remember we are searching for him for collection purposes only, not to create additional difficulties. If that does not work, try a two-page personal letter, written in longhand, with the first un-written page left out and a single conclusion sheet inserted as follows:

"and so John, I hope I shall hear from you very soon, as I need an answer to the important questions I have asked. I wrote you at this address because it was the only one I had. As ever,

PS: My new address is XXXX Street, Albuquerque, New Mexico. If you have moved don't fail to include your address. I'll be wanting to write to you."

Forward the letter to some friend of yours in another city, and ask him to mail it for you so it does not come from the city Mr. Doe has skipped. The unenclosed first page will stir up a lot of interest even though Mr. Doe does not recognize the name of the person sending the letter. When the relative receives the letter, he will forward it to him. If Mr. Doe is there himself, when he receives it his curiosity should prompt an answer.

Use of Telegrams

Telegrams may be used also, as follows:

"Important that I contact John Doe soon. Please advise address by collect telegram." Have wire signed in the usual personal manner with personal name and home address.

2. **Credit bureau:** A. Place a tracer on the account.
- B. Secure recent report, rechecking all new information, including jobs, chattel mortgages, marriages, and other listed accounts, etc.
- C. Check files of relatives, when known. This has often been valuable lead.
- D. When account does not warrant personal efforts, surrender account to Credit Bureau for collection.

3. **Neighbors:** Our next source of effort was to work the neighborhood up and down the street on both sides, using city directory and telephone, or, whenever possible, in person. Remember to check the neighbors across the alley. For some reason they seem to be the best source of information. Remember the children in this procedure. They will help, with the right approach and handling. Usually a business approach will secure information, but if you contact an evasive person, have someone else call next day using personal approach.

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4. **United States mail:** First of all, the panel agreed that a registered mail letter, with return receipt showing address where delivered, should be used. This will, of course, be addressed to Mr. Doe. He conveniently omitted leaving his forwarding address, but it should be attempted anyway because the mailman will occasionally ask a question or two to speed delivery of a registered mail letter written on personal stationery, where he might not do the same for a business letter. If you have seen a letter returned with the notation "Try XXX Street" you know you have a record of a mailman trying to locate someone with a definite address. Special Delivery letters will also invite extra service for delivery. All return envelopes should be analyzed carefully to pick up clues.

Sometimes, letters to present occupants of homes will secure an address. Address personal letter to "Occupant" requesting last address of Mr. Doe. State simply in the letter that you are trying to locate him and request advice. You do not need to know the name of the occupant. Just address letter to "Occupant" at the address and it will be delivered. Comment was made that some people refuse to accept mail. When personal letters are used, delivery is practically guaranteed because few people want to spend a great deal of time wondering who was writing a personal letter to them.

5. **Telephone:** Few are aware of the help telephones are in locating skips in other cities. Long Distance operators are very cooperative and will work diligently by calling firms of the type Mr. Doe might be with, hotels or motels, or most procedures you suggest. Request a "Ticket Locate" of operator, and she will make approximately ten calls to locate your person. It is important to listen to the locating process, because vital information can frequently be obtained in this manner. Also, whenever possible, do your calling after 7:00 P.M. when the rates are lower. In some instances, Long Distance operators will also check addresses you may have to locate Mr. Doe, and supply telephone number. When the number is known, call station-to-station and not person-to-person. Then Mr. Doe will not know the call is coming over long distance, putting him on guard.

6. **Telegrams:** Send a locate telegram to a suggested address. It may do the work and be certain to request a confirmation of delivery from the telegraph company. Locate telegrams can be occupant type, the same as the letters. Also, wires to occupant of Mr. Doe's previous address will sometimes produce results. Always remem-

ber, these telegrams should be personal type and not business.

7. *Former employment:* This is a good source of information, but one that requires special handling. A telephone call to Mr. Doe's former boss might work, but our friend Mr. Doe is not quite that easy. Many employees never tell their immediate superiors their plans, but they are frequently revealed to the people with whom they have coffee and lunch. If you are unable to contact them at the plant or office, secure the name of a few and contact them at home in the evening, by telephone.

8. *Moving companies:* Always an excellent source when name of movers can be secured from the relatives or neighbors.

9. *Banks:* A valuable source for information, especially if they have had recent loans. This fact is usually discovered by checking recording records of county, or through the Credit Bureau. Do not overlook the collection department of the bank, as was illustrated by the skip who was discovered as owner of a piece of rental property. Inquiry of the tenant revealed rent was paid to the bank and forwarded to Mr. Doe. Inquiry at the bank produced the address of a skip that had been missing over a year. Savings, checking, and Christmas fund accounts should also be checked.

10. *Public utilities:* Usually the type business to get caught with skips, but occasionally they may have sold an appliance or had other contact that could provide information.

11. *Landlords:* Mr. Doe probably left owing his landlord back rent, but he should be questioned anyway because he might give a clue that could lead to others, especially if he happened to live in the same building Mr. Doe was renting.

12. *Public schools:* This source is not too promising, but one to be checked anyway. If John Doe, Jr., was a troublesome student, his parents' personal affairs may be known to the teacher or principal. Try to learn name of the teacher and contact her at home. She will be more cooperative there, especially if Junior Doe has been a source of irritation to her. High schools and colleges usually have more comprehensive records on students that could lead to an address of parents.

13. *Churches:* Ministers are frequently exposed to personal affairs of families. Information as to Mr. Doe's church affiliation may be obtained while talking to neighbors and friends. Contact with minister or church leaders is next step.

14. *Labor unions:* When any member of the family is a member of a labor union, contact the business agent. He can usually furnish the forwarding address, or at least the city to which Mr. Doe's records are being transferred. When you receive a tip that Mr. Doe is in a certain city, contact the labor union in that city for his address and employment. Labor offices in certain instances will even watch for Mr. Doe and advise when he arrives.

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15. *Lodges:* Lodges, the same as churches, can often supply forwarding address, especially since many of them include insurance coverages as a part of membership. This, of course, increases the importance of knowing the address of Mr. Doe in both their interests.

16. *Insurance agencies:* Not too often helpful, but occasionally a clue can be secured. Sometimes a fire or automobile claim has recently been paid that could conceivably lead to the address of Mr. Doe. If possible, contact adjustor that handled the claim. They will supply name of insurance company who in turn will supply name of agent originally writing policy. Contact with him might lead to something.

17. *Tax collection records:* Recording methods vary in many states, therefore this item is mentioned as a source without definite guidance as to procedure or experience. Checking back records of homes previously owned will sometimes supply names of property transactors previously dealt with. Contact with them could provide a clue.

18. *Auto registration:* When you can secure a license number of the current or prior year, inquiry to the Motor Vehicle Division of indicated state will supply an address, and more important, a lien holder. Even though he may not be at that address, an occupant letter, previously described, might produce some results.

19. *Vital statistics:* It may be that Mr. Doe has recently had a newcomer in the family. Searching the vital statistics reveals that fact, and the name of the doctor, which is your next contact. When known, family physicians should be contacted anyway as a possible aid.

20. *Voting registration records:* Registration lists are a matter of public record. If you happen to know Mr. Doe's street, consult voting lists for the possible answer. If you are writing from another city, send a personal letter to the Election Commissioner's Office, stating that Mr. Doe has recently moved to that city, and you need help in locating him. This procedure has been known to produce an address.

21. *City clerk's office:* In smaller cities the City Clerk, if he is so inclined, might make a few inquiries by checking through the various license records to see if Mr. Doe has applied recently.

22. *Social Security records:* It was suggested by the panel that this was a possible source of help, although no specific instances were known. Perhaps a personal letter to Social Security headquarters with his Social Security number, secured from his previous employer, might reveal his new employment.

23. *Triple A:* Mr. Doe probably left town by automobile. It's just possible he is a member of the AAA and made inquiries as to proper roads, weather conditions, etc. Some clubs keep a record of these inquiries. Through this method, the name of the city he is headed for could be determined.

24. *Trade stores:* A source never to be overlooked. Mr. Doe and his family had to visit some stores in the immediate neighborhood. Inquiries at grocery and drug stores, barber shops, and bars may be fruitful.

25. *Hard work:* This is the source you will find in yourself. If you do not intend to use it, do not start looking, because you will not find Mr. Doe anyway. ***

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Sales and Collection Remedies in New Mexico

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Counsel for Credit Bureau of Albuquerque

AS IN ANY OTHER state, sellers of various products in the state of New Mexico transfer their products to purchasers for cash or on the basis of credit. There are little or no problems connected with a transaction wherein purchaser pays seller cash for a commodity owned by seller. This article will deal with the methods by which a seller may sell his product, and the problems and possible solutions thereto facing him when the purchaser does not pay as contracted or promised.

The most common type of sale under our topic is one on open account. The purchaser is usually billed for items so bought at the end of the month in which the purchase was made. The seller, by custom and also by a printed statement to that effect on the bill rendered, expects the purchase price by the tenth of the following month. In other words, let us take for an example an item sold on November 15, 1954. The merchant then rendered his bill November 30, 1954; payment by purchaser was expected on or before December 10, 1954. The account became past due as of December 11, 1954. If the merchant had any doubt as to the possibility of collecting this bill, he now could take legal action. The time when legal action can be taken is most important, as one can see in the following case. Mr. John Doe came to Albuquerque, New Mexico, on November 1, 1954. By an approach akin to that of a confidence man, he induced a branch of a large department store in this city to sell him \$1,000.00 worth of goods on open account. Within a few days the head of the department store learned of the sale and also learned that the man was an extremely poor credit risk. From information supplied by the Credit Bureau of Albuquerque, which in this instance had not been given an opportunity to make a search on John Doe before credit had been extended him, the store was confronted with facts indicating this man to be a "skip" artist. But the harm was done. The merchant had to wait an agonizing two weeks until the end of the month and until he sent out a statement in the usual course of business to John Doe; and, then, further entrapped by a grace period of ten days, which the merchant extended to all purchasers granted open accounts, the merchant could not act until December 11, 1954, at which time John Doe no longer resided within the state of New Mexico nor did any of the material purchased from the merchant.

The merchant has four years within which to bring legal action for the collection of an open account. This limitation is statutory and exists to force the merchant to take action within such a period of time so that he cannot surprise the debtor with a claim many, many years after the debt has been incurred and when records and witnesses, proving or disproving said account, are no longer in existence. It encourages reasonably timely action on the part of the merchant. "When there is an open current account, the cause of action shall be deemed to have accrued upon the date of the last item therein, as proved on the trial." (Sec. 23-1-6, 1953 N.M.S.A.,

Vol. V.) When an item is sold on open account, title passes from the seller or merchant to the purchaser. The merchant no longer has any claim of right or title or interest in and to said item. The purchaser may do with the item as he pleases, for he is the owner of the item and can exercise over it any and all rights accruing to such an ownership. For example, purchaser may take the item and place it anywhere he wishes, within or outside of the state of New Mexico. He may destroy the item. The merchant, once having sold on open account, has only a claim for the money due him, and the purchaser, only the obligation to pay the merchant the purchase price of the item. Many merchants, desiring to protect themselves in the sale of the merchandise, resort to other methods of transfer.

The wise merchant, selling large items such as vacuum cleaners, refrigerators, or automobiles, will either have the purchaser make out a chattel mortgage to the merchant, who will then record said mortgage with the county clerk, thereby protecting himself against the non-payment by purchaser of the balance or all of the purchase price remaining to be paid on the merchandise; or sell the item on conditional sale contract. Under a chattel mortgage method, title passes from the merchant to the purchaser but, when the merchant records his chattel mortgage, purchaser is limited in his exercise of ownership over the article. He may not sell or otherwise dispose of the merchandise or article unless he has the permission, usually in writing, of the chattel mortgagor. The buyer has the right of possession to the mortgaged property until conditions in the mortgage are broken. If and when this takes place, the mortgagor can take immediate possession of and proceed to sell the mortgaged property. (Sec. 61-8-9, 1953 N.M.S.A., Vol. IX.)

Conditional Sale Contracts

The other more important method of transfer of property under which a merchant is fairly well protected is by conditional sale. A conditional sale is just what it says. It is a sale conditioned on a number of factors and mainly the one wherein the purchaser obligates himself to pay in full the purchase price for the item transferred. Possession, of course, is transferred from the merchant to the purchaser; title is not. The purchaser has but an equitable interest in the merchandise. Upon full payment of the purchase price, this equitable ownership ripens into legal ownership, which is the passing of the title from the merchant to the purchaser. The conditional sale leaves the merchant in the most powerful possible position with relation to control over the merchandise sold. All conditional sales must be acknowledged by the seller or merchant and the purchaser and either recorded or filed in the office of the County Clerk of the county where the personal property is located. (Sec. 50-11-1, Et. Seq., 1953 N.M.S.A., Vol. VIII.) If any person shall sell, transfer, conceal, take, drive, or carry away any property encumbered with a chattel mortgage ex-

ceeding the value of \$100.00, then that person shall be guilty of a felony and shall be fined not more than \$5,000.00 or placed in jail for not less than one year nor more than three years, or both, in the discretion of the court. This same penalty applies to those who dispose of or encumber property, valued at over \$100.00, possession of which property they have obtained under a conditional sales contract. (Sections 40-21-41 and 40-21-44, 1953 N.M.S.A., Vol. VI.) In either case, where the property is valued at less than \$100.00, such action upon part of purchaser is punishable as a misdemeanor in the Justice of the Peace court.

In many cases, where the merchant realizes that his collection of the purchase price of merchandise sold will be slow, he should protect himself against the statute of limitations of four years, as above stated, by obtaining a written promissory note, signed by the purchaser, which note is actionable at law for a period of six years from date. It might be well to mention at this point that this state has a harsh law with regard to "cognovit notes." These are notes which provide that judgment be confessed by the maker of the note and in effect waives all legal rights the debtor may have. Such a note has incurred, and is outlawed by, the following language in our statutes: "Any person, natural or corporate, who directly or indirectly shall procure another or others, to execute as maker, or to endorse or assign such cognovit note, or whoever being the payee, endorsee, assignee, thereto shall accept and retain in his possession any such instrument, or whoever shall conspire or confess that another or others, for the purpose of procuring the execution, endorsement, or assignment of any such instrument, or whoever shall attempt to recover upon or enforce within this state any judgment obtained in any other state or foreign country, based upon any such instrument, shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not less than \$50.00, and not exceeding \$500.00, to which may be added imprisonment for not less than thirty days." (Sec. 21-9-18, 1953, N.M.S.A., Vol. IV.) A judgment is good for a period of seven years under our statute of limitations before it must be revived.

Three Courts of Jurisdiction

Once the merchant has a collection problem, he has three courts of varying jurisdiction open to him in our fair state. If he has an account against purchaser, who has now become debtor, of a value less than \$200.00, he may institute proceedings in a Justice of the Peace court. The advantage of this lowest court is that the fees are small, \$3.50 for filing each case; and, as a defendant may be summoned for trial in ten days, there is much to be said for the speed of such a court. Either party may appeal an adverse decision to the District Court, and there a completely new trial is held on the merits. (Sec. 36-18-6, 1953, N.M.S.A. Vol. VI.) Or the merchant may go before the newly created Small Claims

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

court. This court has jurisdiction up to matters in controversy not exceeding in value the sum of \$2,000.00. The fee for filing a suit in that court is \$6.50. The rules of civil procedure now in force in the District Courts are applicable to this court. This indicates that a purchaser debtor defendant has thirty days in which to answer the complaints filed by the creditor or merchant and then at some later date the court may set the matter down for hearing on its merits.

Finally, the merchant or creditor may institute his action for collection of this account in the District Court of the respective county in which he resides. The filing fee is \$8.75; the purchaser debtor or defendant has thirty days in which to answer said complaint, and the court then places the matter on its jury or non-jury docket for hearing on the merits. There are some 4,000 cases now pending in the District Court of Bernalillo County where the Credit Bureau of Albuquerque has its principal office. Delay is almost inevitable. The merchant would be wise to consider using one of the other courts, if his account is within the appropriate jurisdiction.

Garnishment Methods

Once judgment has been obtained, the judgment creditor may execute on the property of the judgment debtor or he may garnishee his salary or other pieces of personality owed to him by a third party, or attach the goods belonging to the debtor. For those merchants or their agents, who have a judgment against a defendant subsequently located in the state of New Mexico, our statutes, regulating and limiting the time for commencing an action, based on such a foreign judgment, state that "actions founded upon any judgment of any court of record and of any other state or territory of the United States, or of the federal courts, may be brought within seven years from and after the rendition of such judgment, and not afterward." (Sec. 23-1-2, 1953 N.M.S.A., Vol. V.) To enforce such a foreign judgment, action must be instituted in the local District Court, a new complaint filed, and a fee of \$8.75 paid, just as if one were commencing a new action. A certified copy of the foreign judgment must be attached to the complaint. Once this is done and carried to final decree, all the creditor remedies are then open to the foreign judgment creditor. "Any money judgment rendered in the Supreme or District Court shall be docketed by the clerk of the court in a book kept for the purpose, and shall be a lien on the real estate of the judgment debtor from the date of the filing of a transcript of the docket of such judgment in such book in the office of the county clerk of the county in which such real estate is situated; . . ." (Sec. 21-9-6, 1953, N.M.S.A., Vol. IV.)

It might be well to acquaint those outside the state with the problems confronting those attempting to exercise creditors' remedies in the district courts of this state. Attachment and garnishment can be used, if judgment on the merits has been obtained on an account, without the necessity of posting a bond or the restrictive reasons necessary for using either remedy before judgment has been finally obtained. A creditor may sue a debtor by attachment in the following instances:

1. When the debtor is not a resident of, nor resides in, this state;

2. When the debtor has concealed himself, or absconded, or absented himself from his usual place of abode in this state, so that the ordinary process of law cannot be passed upon him;

3. When the debtor is about to remove his property or effects out of this state, or has fraudulently concealed or disposed of his property or effects so as to defraud, hinder or delay his creditors;

4. When the debtor is about to fraudulently to convey or assign, conceal or dispose of his property or effects, so as to hinder or delay his creditors;

5. When the debt was contracted out of this state, and the debtor has absconded or secretly removed his property or effects into the state, with the intent to hinder, delay, or defraud his creditors;

6. Where the defendant is a corporation whose principal office or place of business is out of the state, unless such corporation shall have a designated agent in this state, upon whom service of process may be made in suits against the corporation;

7. Where the defendant fraudulently contracted the debt or incurred the obligation respecting which the suit is brought or obtained credit from the plaintiff by false pretenses;

8. Where the debt is for work and labor, or for any services rendered by the plaintiff, or his assignor, at the instance of the defendant;

9. Where the debt was contracted for the "necessities of life." "If attachment is used and the facts will allow

such action under the above qualifications, then a bond in the sum of double of the amount of the account sued for must be filed." (Sec. 26-1-1, 1953 N. M. S. A., Vol. V.)

A writ of garnishment will be issued at the time the original complaint is filed against the debtor upon the following grounds:

1. In any case where an original attachment may be issued as provided by the attachment laws of the state of New Mexico;

2. Where the plaintiff in any suit sues for a debt and he or someone for him makes affidavit that such debt is just, due and unpaid, and that the defendant has not within his knowledge property in his possession within this state subject to execution sufficient to satisfy such debt; and that the garnishment applied for is not sued out to injure either the defendant or the garnishee.

3. Where the plaintiff has a judgment against the defendant in some court of this state and he or someone for him makes affidavit that the defendant has not within his knowledge property in his possession within the state subject to execution sufficient to satisfy such judgment.

But no writ of garnishment shall issue where the debt or obligation or the cause of action in the original suit or the garnishment action is "founded upon the sale or purchase of intoxicating liquors." (Sec. 26-2-1, 1953 N.M.S.A. Vol. V.) Again an affidavit and bond similar in nature to that described above must be filed. After exhausting these remedies, we prayerfully hope that the debtor skips to your state. ***

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Las Magrugadoras* Credit Women's Breakfast Club

Kathryn A. Kelly

P. F. McCanna, Inc., Albuquerque, New Mexico

President, Las Magrugadoras Credit Women's Breakfast Club, Albuquerque, New Mexico

FAITH, VISION, and COURAGE, our outstanding "motto" and our God-given virtues which have so beautifully enhanced our Credit Women's Breakfast Clubs from their beginning to the present day, thus forming a forceful organization of some three hundred clubs and eleven thousand women members—international in scope. Is it any wonder that we Credit Women Breakfast Clubbers feel that through our educational program, training and daily contacts with professional women, we are well equipped to bring the most up-to-date credit knowledge into our offices? Through our training to do a better job we have become a power in the credit profession. To the women whose sense of duty, breadth of thought, and search for knowledge inspired the organization of the Credit Women's Breakfast Clubs of North America and to those whose intelligent and unselfish effort have gone into the development of the International organization.

Through local, district, national, and international group efforts, women holding positions in the credit profession should become articulate as an organized body, thereby making possible the promotion of their common interests and the contribution of their combined services to civic, national, and international development. Also, through association with one another, they would cultivate valuable and durable friendships and encourage mutual helpfulness in the credit field. It is well understood that many constructive and helpful things are possible of accomplishment by well-organized groups, which would be impossible of fulfillment by individual effort.

Principles and ideals: Credit Women's Breakfast Club members strive to adhere to the following principles:

1. To practice that fundamental honesty, which is the foundation of all worthy endeavor, in our daily experiences.
2. To incorporate in the discharge of duty, the cardinal policy of good business, justice.
3. To give the best service possible, to the limit of one's ability.
4. To promote harmony in everyday contacts.
5. To promote the recognition of merit and ability in fellow workers.
6. To realize the value of clear thinking, for "As you think you travel; you are today where your thoughts have brought you; and you will be tomorrow where your thoughts take you. In your hands will be placed the exact result of your thoughts; you will receive that which you earn, no more, no less. You will become as small as your controlling desire; as great as your dominant aspiration."
7. To uphold with sincere dignity, and tolerant conviction, the objectives of the Credit Women's Breakfast Clubs on all occasions.

Our objectives:

1. To promote mutual understanding, cultivate friendly relationship and foster the solidarity of

*Spanish for "females who rise early."

women who are actively engaged in the credit profession.

2. To maintain a harmonious relationship between credit departments of the various firms represented and the local Credit Bureau.
3. To foster the aims and ideals of the National Retail Credit Association.
4. To stimulate education in the practice and procedure of credits.
5. To ensure the very finest personnel in one profession.
6. To bring together women whose business and professional attainments are similar and whose abilities have been developed in like fields.

Credit Women's Breakfast Clubs are nonpartisan in politics and nonsectarian in religion. We hold the desire to see clearly, to deal fairly, and to recognize merit and accomplishment wholeheartedly.

Membership Advantages

Value of membership:

1. Fellowship. Stimulates rich fellowship and generous understanding and creates sincere friendships.
2. Self-development. A means of exchange of valuable ideas which increase business efficiency, bring about an understanding of credit problems, and give knowledge of their successes. The contact produces a broader vision and leads to better cooperation among women in credit work.
3. Affords superior opportunities for individual training in the credit world. As a result of educational effort, members receive training which is so essential to advancement in the credit profession.
4. Service to the community. Opens the way for women in the credit profession to put their united strength behind a local program of civic development. Members are encouraged to participate in community and public affairs of nonpartisan character.
5. International connection. The contacts made in local clubs are multiplied many times through district, national, and international relations. The pooling of individual and local group ideas and interests through the medium of an international organization brings the best collective thought to bear upon matters of concern to Credit Women's Breakfast Clubs. A member away from home will recognize the benefit of her membership in the opportunity afforded her to enjoy many worth-while associations with members in the cities which she visits.

The emblem represents the ideals and purposes for which we were organized:

1. Shield, representing our duty to protect our employer and his customers by guarding carefully the information given us.

(Turn to "Credit Women," page 21.)

Retail Credit Education Week

April 24-30, 1955

ENCOURAGING REPORTS are reaching the National office indicating that *Retail Credit Education Week*, April 24-30, 1955, will be a brilliant success. It will be the second observance of this continent-wide emphasis on the beneficial role that consumer credit plays in our economy.

Local retail credit associations or merchants' associations, in cooperation with the credit bureau, should mobilize all their most vigorous efforts now to drive home the theme, "Buy Wisely—Pay Promptly." Time is short. Thoughtful planning and thorough preparation are essential to a successful and well-coordinated effort.

The period set for *Retail Credit Education Week* is also Garden Week! There is an apt analogy here: skilled gardeners make the bleak ground burst into colorful and beautiful blossom. So, too, energetic and resourceful managers of credit sales transform the debtors of sales resistance into increased profitable sales.

It is also Photography Week! Here again we find an appropriate comparison. Photographers pride themselves on their ability to create lifelike portraits of their subjects. So, too, credit bureaus—with the necessary help of their members—build up in their files, clear and accurate portraits of the character, responsibility, and pay habits of millions of credit users.

Retail Credit Education Week is thus in good company. Let us do everything in our power to make our celebration successful in its purpose of selling the advantages of sound credit to all consumers, including those consumers of tomorrow who are the students of today.

Last year at least 150 communities participated in *Retail Credit Education Week*. Space prevents listing them or giving a detailed presentation of their achievements. We are grateful to the many chairmen of local committees who took the time and trouble to write the most interesting reports to us on what they had accomplished. Their efforts were sincerely appreciated and recognized.

From these reports we have selected just one, because it sets forth a complete program which might well be adopted as a pattern by other communities throughout the continent. Here is the report of Roland Ruiz, D. H. Holmes Company, Limited, New Orleans, Louisiana:

"At the board of directors' meeting of the New Orleans Retail Credit Association held in January, 1954, a *Retail Credit Education Week* Committee was formed, of which Stanley Schulkens, credit manager of Labiche's, Inc., was appointed chairman. Immediately thereafter all of the radio stations in New Orleans were contacted and they all agreed to give us six or eight spot announcements each day, which was done. All of the religious faiths included this in their sermons on Sunday, May 9. The mayor of our city proclaimed this week 'National Retail Credit Education Week' and the proclamation

was presented to Stanley Schulkens and myself by one of the Mayor's councilmen. A picture of the presentation was published in the newspapers. Our plans for this program were presented to the board of directors of the New Orleans Retailers' Credit Bureau, which, of course, represents all of the large retail stores in New Orleans, and it was unanimously accepted and a reserve fund of \$3,500.00 was set up to subsidize this undertaking, although the cost of the entire campaign was \$2,300.00.

"Fourteen mats and the radio spot announcements were obtained from the national office and were published throughout the week in the three newspapers of New Orleans, also in a religious publication *The Catholic Action* and a colored publication *The Louisiana Weekly*. There were also editorials written about this program. The spot announcements were distributed to all of the radio stations. Our board of directors are of the opinion that this program was very successful and it was mentioned that there should be more programs of this type."

In Mr. Crowder's editorial in the January, 1955, *CREDIT WORLD* he referred to a portfolio of material available from the National office to local *Retail Credit Education Week* chairmen. In each portfolio, among other items, will be found spot announcements for radio and television, suggested talks for senior classes in high schools and colleges, and material on which to base addresses to service clubs and other assemblies. Also included will be a copy of the "Pay Promptly" series of newspaper advertisements for which mats are available from the National office at modest cost. Write for your portfolio today.

A new powerful publicity for us this year will be our credit educational motion picture film. As described in the February, 1955, *CREDIT WORLD* on page 32, this film has been termed "a significant achievement." Without doubt, this educational motion picture will be in constant use in many communities during *Retail Credit Education Week* especially as part of the total promotion. Every community should own at least one copy of this film. It tells the story of retail credit in a dramatic and convincing manner. For details of cost and availability you are cordially invited to write to the National office.

Pictorial Wall Placard

We strongly recommend the use of the pictorial wall placard developed by the National Retail Credit Association for display purposes during *Retail Credit Education Week*. These beautiful multi-colored reproductions of a symbolic painting will do much to arouse interest throughout the community. The placard should be displayed in store windows and elsewhere. For *Retail Credit Education Week* the placards will be sold for half price. The large one, 23 $\frac{3}{8}$ " by 17 $\frac{1}{16}$ ", will be \$2.50 and the small one, 17 $\frac{1}{2}$ " by 12 $\frac{1}{8}$ ", \$1.50.

We all agree that consumer credit is a powerful force in our economy. We know that more and more people are taking advantage of the helpfulness of the various credit plans to obtain more of the good things of life on credit. It is highly important that a consumer be educated to his responsibilities in the matter of credit. *Retail Credit Education Week* is the answer to that need. Let us all unite in spreading the story of *Buy Wisely—Pay Promptly*.

**Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.**

"Know Your Money"

(Script for a Television Program)

ON OCTOBER 9, 1954, The American National Bank, Denver, Colorado, televised a half-hour program entitled "Know Your Money," over station KLZ-TV. We are reproducing here the script in its entirety as we believe many of our members might want to sponsor a similar program as a public service. The script is published with the permission of Herman Feucht, Vice President, The American National Bank, Denver, Colorado.

BOOTH: The American National Bank presents as a public service feature . . . "Know Your Money" . . .

Every day millions of dollars in counterfeit currency change hands in America. More millions are represented in bad checks or checks that have been tampered with. You may unwittingly find yourself the victim of "bogus" money or checks . . . unless you are alert to the ways and means of detecting "bad" money. That is what we hope to do tonight—to shed some light on the suspicious aspects of illegal currency and checks.

BOOTH: We have in the studio a group of Denver businessmen who will talk to you about the various aspects of "bogus" currency and checks. Our moderator is Herman Feucht, Vice President of the *American National Bank*. Mr. Feucht, will you introduce the other members of your group.



FEUCHT: William E. Glass, president, Cottrell's Clothing Company, Director, Retail Merchant's Association

Donald H. Puffer, secretary-manager of Retail Credit Men's Association

John R. Golding, of the Universal Check Service Detective Agency

Earl E. Schoel, special agent in charge of the Denver Office, United States Secret Service.

BOOTH: Thank you, Mr. Feucht.

Back to the panel in a moment. But first: You all recall that Abe Lincoln once said, "You can fool all of the people some of the time, and you can fool some of the people all of the time." Smooth, deliberate confusion is the stock-in-trade of professional counterfeit money pushers. But let's look in on Ari Haag of Continental Air Lines, a businessman about to "give you the business," and show you how "the hand is quicker than the eye."

HAAG: Good evening. These Denver businessmen that have just been introduced advise you to *know your money*. I say *watch your money and watch your checks*—and now just for fun let's *watch the cards*. You know, it's perfectly possible for *your money* to disappear just as easily as do these cards if you don't *watch closely*.

The panel members are going to show you how to detect some of the tricks about bad money and bad checks, and again just for fun I'm going to show you just exactly how I make the cards disappear. *Watch!*

. . . And now back to our panel and Mr. Feucht . . .

GLASS: Denver is growing fast. That, of course, means more and more people; and more people mean more jobs and more pay checks. The natural result is that merchants are called upon to cash more checks. Remember, merchants are happy to cash your pay check or your personal check. But, with the rapid population growth the merchant cannot personally know everyone who comes into his store and, therefore,

must ask for and get positive identification from the person cashing a check.

FEUCHT: What suggestions do you have for the person wishing to cash a check, Bill?

GLASS: When you go into a store and expect to cash a check, be sure you have your identification with you and be prepared to submit it. I would suggest you go to someone with authority in the store—the credit manager or the office manager—to get your check OK'd. Then if you wish to make a purchase, the salesperson can readily accept your check. If you will do this, and show a willingness to cooperate with the merchant, I can assure you that you will be taken care of with no embarrassment and little delay. The merchants of Denver want to be of service to the people in this matter of cashing checks. All we ask is that we know who you are. This is made easy through your cooperation and willingness to furnish proper identification.

FEUCHT: Thanks, Bill Glass. And I'm sure that everyone who cashes a check with honest intentions is happy to identify himself properly.

John Golding, your firm tracks down bad checks for many banks and merchants in Metropolitan Denver. I'd like to have you clarify "proper identification" for us, and also point out to us some of the most obvious earmarks of a bogus check.

GOLDING: I'll try to cover most of that, Mr. Feucht. Our bad-check problems are mounting in Denver. As we see the picture, they will continue to increase until *all* businessmen adopt a positive and continuing educational program that teaches their employees who have authority to cash checks what to look for in the way of identification and how to identify properly the endorser of a check. This program must stress extreme vigilance to cope with economic trends and to foil the mental agility of the professional bad-check writer.

A check is only as good as the person asking to cash that check. Most checks are good because most people are honest. It is the occasional bad-check passer that won't permit us to relax. Here is a facsimile of a check which is a common type cashed by stores every day. This is known as a "second endorsement" check. It has been made by Richard Roe payable to John Doe, who will endorse the check on the back at time of cashing. You will note that the date is September 31, 1955. The numerical amount is for \$28.70, while the written amount is for \$28.00 even—this in itself is reason enough to question the check. In the lower left-hand corner of this check is written "for cement work on Colorado Blvd. job." Now I know many merchants would say that they would never cash a check made out like this. However, it has been proved that such checks are cashed daily by merchants in Denver. Why? Because they look only at the numerical amount of the check; or they accept as legitimate any paycheck which describes the work which the pay is purported to cover. Remember, the passer does this in order to fool the merchant. Experience shows that 95 per cent of this type of check is no good. So . . . be very wary of a second endorsement check that describes in the lower corner what the check is for.

FEUCHT: That's very helpful, John. Now can you give us some further information on securing positive personal identity from persons tendering checks?

GOLDING: Yes. There are three steps that can be taken when cashing a check for a person you don't know. First: Ask for a driver's license. Second: Check the physical description of the person and compare the signature on the license with the endorsement on the check. Third: On the face or the back of the check, write down the driver's license number, being sure to include the alphabet figure preceding that number. By following this simple procedure, you can protect yourself against loss from bad checks.

Why do we emphasize the driver's license as means of identification? While it is not completely foolproof, it is quite positive. A person has to wait 45 days to get the photostatic copy of his driver's license; therefore, transients cannot possess a local license. Further, it carries the holder's signature and physical description, which are readily compared.

Let me add these points, too: If a check has been endorsed

when presented to you, have that person endorse the check again in front of you.

If a signature is difficult to read, ask the person to print his name below his signature. Our office receives checks every day with signatures which cannot be read.

Take as much time as necessary to establish identity when cashing any check. Any person with good intentions won't mind identifying himself. A bad-check passer is usually in a hurry; questioning may alarm him and he will leave. You've done yourself a favor by remembering that "haste makes waste"—of your money.

FEUCHT: Thank you, John Golding. I am sure most people would be very cautious in taking promissory notes from persons unknown to them. But they'll turn right around and take a check without proper identification. You've shown the folly in that.

Earl School, you head up the Secret Service here in Denver, don't you? What has the United States Secret Service to do with bad checks and bogus currency, Earl?

SCHOEL: Most people think of the United States Secret Service as a force of agents whose sole function is the protection of the President. Actually, it is perhaps our primary, certainly our gravest, responsibility, the protection of the President of the United States and members of his family; the protection of the Vice President and the President-elect. Oddly enough, the Secret Service, a division of the Treasury Department, is one of the oldest Federal law-enforcement agencies and was established July 5, 1865, to fight currency counterfeiting. It was not until 1901, after the assassination of President McKinley, that the presidential protective duty began. Theodore Roosevelt was the first President placed under the protection of the Secret Service.

FEUCHT: So the suppression of counterfeiting and forgery of government checks and bonds is actually an additional function of the Secret Service now, Earl?

SCHOEL: Yes, but a very vital one and one we are working on continually. Every year the American people lose huge sums of money to passers of counterfeit money and passers of worthless checks.

Counterfeeters and check forgers must fool somebody to make a profit. Storekeepers and cashiers who fail to examine money carefully, or who cash checks without proper identification of the holders, are often to blame for their own losses. Only with their full cooperation, together with the aid which is generously given by local police departments, can the Secret Service hope to reduce and prevent these crimes which are aimed at the pocketbook of the average citizen.

FEUCHT: Fine, Earl. Can you give us some "rules of thumb" for detecting counterfeit currency?

SCHOEL: I believe I can, Mr. Feucht.

First: *Know your money*. Study the bills you receive, so as to become familiar with the workmanship on them, especially the portraits.

Second: Compare a suspected bill with a genuine one of the same type and denomination. Here, let me show you . . .

Observe these things. The eyes, on the genuine, are clear and distinct, while on the counterfeit they usually appear as dots. The hair on the counterfeit is usually too light or too grey. On the bogus bill the oval background is light and often the portrait does not stand out distinctly from the background.

The Treasury seal which is to the right of the portrait, in the counterfeit, is often off-color. Saw-tooth points around the rim are often uneven or broken, while in the genuine the saw-tooth points around the rim are even and sharp. Serial numbers on the counterfeit are poorly printed, sometimes unevenly spaced and out of alignment, while the genuine is evenly printed, well spaced, and the color is always true.

Let's look at the other side of the note. You may not be able to see it distinctly, but on the counterfeit the portrait lacks depth and often pertinent features are missing or blurred while in the genuine there is depth and, with the \$5, \$10, and \$20 bills, it gives the impression that you could actually enter the building pictured there. Genuine currency is printed on distinctive paper which is impregnated throughout with small red and blue nylon fibers. Counterfeit is usually a high-grade bond paper and often the counterfeiter imitates the fine red and blue fibers with ink lines.

Rubbing a bill on a piece of paper will not prove it is genuine

or counterfeit. Ink can be rubbed from good bills as well as from bad ones.

The lathe or scroll work which is the border on the face and back of every note is executed in minute detail, while the counterfeit note often has broken or blurred lines. After comparing a note, if you are still in doubt, consult an experienced money handler or police officer to make sure. There is one thing to remember: Not all strangers are counterfeiter, but all counterfeiter are likely to be strangers.

FEUCHT: Earl, what about "raised" notes? Isn't that the process of cleverly altering a \$5 bill to resemble a \$50, or a one to look like a ten?

SCHOEL: Right. If you will learn the portraits of bills up to \$20 you will never be defrauded with a raised note. By this I mean that Washington appears on a \$1 note, Jefferson on a \$2 note, Lincoln on the \$5, Hamilton \$10, Jackson \$20 and Grant \$50. For example: If you receive a note that appears to be \$5, but it bears Washington's portrait, you have received a raised \$1 note. Remember, good money looks good because it is made by experts. It is made on costly machines designed just for that purpose; it is printed from steel plates, produced by the finest engravers in the country. It is good! Bad money looks bad because it is made from defective plates; it is usually printed with cheap ink on cheap paper, and it is usually made with poor equipment by unskilled workmen. It is bad!

FEUCHT: So much for counterfeit currency, Earl. What can you tell us about government checks?

SCHOEL: There is quite a lot of traffic in the forging, tampering, and unauthorized cashing of government checks. The big error that a merchant may make in being offered a government check is that he may think, "This is a U. S. government check, therefore it is good." He does not ask himself the question: "Is the person presenting this check the true and proper holder of the check?" Whenever an individual desires to establish credit at a store it requires considerable time to complete the transaction. However, an individual can walk into a store with a check in the amount of \$25 to \$500 and with very little trouble and time can successfully negotiate it. I believe that if a merchant will take at least five minutes or more when accepting a check, he will avoid, for the most part, being defrauded by someone presenting a stolen government check or a fictitious commercial or personal check.

FEUCHT: Very good, Earl School. What you have told us is extremely informational.

Mr. Puffer . . . we'll get around to you now on a very important subject. What about the fellow who maintains a checking account but who often cashes checks even when he knows his account is depleted and the check will bounce? We call him a "week-end borrower," don't we?

PUFFER: Yes. There are a lot of these people; most of them are essentially honest Joes. It is strange that a person considers himself perfectly honest—he wouldn't think of taking money from a friend or from his employer without permission—will write a check that he knows is not covered by his bank account. Generally he makes such checks good, but he has done damage to himself and others.

In the Greater Denver area, there are about six thousand "short" checks a day, totaling about 25 million dollars a year. Such checks are costly to handle and actually cost the merchant and the bank about two dollars each. Short checks may destroy your most precious asset, your credit. A majority of the folks who unfortunately come to our bankruptcy courts come with a record of frequent short checks. A short-check record is known to credit associations. They interpret it as meaning that you have all the obligations that you can handle. You may be denied further credit. A record of short checks might alienate an otherwise prompt credit record, might keep you from obtaining credit to acquire a new home, a car, or to finance unexpected doctor bills. It would appear that the short-lived pleasure derived from a "short check loan" is hardly the kind of price you'd ask for your good credit standing.

Here, we'll try to get a close-up of it. Here is a credit report as we carry them in our office, showing complete credit history. This person is anonymously identified as Mr. John Roe, but the information reveals a typical situation with the chronic short-check writer. If you could examine this report closely, you would find that the man discharges his obligations promptly and is otherwise recommended as a good credit risk, except that his bank account has been closed because of a too-con-

(Turn to "Know Your Money," page 24.)

What Is the Most Important Credit Problem for 1955?

Opinions of Credit Executives

All over the country financial institutions, retail stores and organizations serving the public are modernizing their places of business to present a more friendly and receptive atmosphere to their customers. Have we, as aggressive credit managers, done the same thing with our credit offices? Are we modernized to where we provide speedy, efficient and courteous service to our customers? Have we developed in the minds of our people the urgent need for courtesy, consideration, and graciousness in their daily contacts with the customer who is utilizing our services? Re-evaluate your present operation. Eliminate the delays in opening new accounts and encourage the people who visit your department to shop that very day. Consider seriously a change in policy that will wed your credit sales organization closer to your selling group. Are your salespeople completely familiar with credit office problems? At this time of the year it is important to remember your customer remains only as long as she feels you, as an organization, treat her as an individual with the same respect and courtesy you extend to your immediate associates. This is the challenge: Woo the customer in 1955. Be cognizant of her likes and dislikes and remember also each individual ledger sheet represents a personality who has a definite influence on the future volume of your department.—W. O. Perlick, Texas Bank & Trust Company, Dallas, Texas.

★ ★ ★

Several credit problems are current today and will be in 1955, in spite of the fact that some large lenders are easing up on terms and down payments and extending credit to buyers who have been poor credit risks. The most important will be that of overloading individuals who have become accustomed to fairly generous top incomes in all lines of employment, the white collar group and the laboring group. Many people have been overloaded for several years but have not and do not yet fully realize the fact because of the continuing good incomes. Certainly the fact that an individual has paid an account satisfactorily is no indication that he deserves further and larger credit accounts. It is a recognized fact that many people have established a line of credit and regularly renew or repurchase to maintain a top limit at any number of different stores, loan companies or banks. As credit granters and collectors, it is a topmost responsibility to protect their businesses by considering not only the present but future possibilities of an individual. An additional problem is the practice of so many furniture stores, jewelry stores and small loan companies continuing the extension of credit, and considering the accounts satisfactory, to customers who regularly pay only two or three weeks each month on nine, ten or eleven months out of the year. This practice naturally gives the customer the false feeling of good credit. Of course we realize that they are able to do this because of high mark-up on merchandise or money and feel that a high percentage of profits will justify greater risks, but to the customer, continued sales or loans convince him that his manner of payment was okay. The customer thus carries this idea to his other creditors and often feels that some firms are unfair or unreasonable if they insist on prompt payments. A curtailment of this practice should be considered seriously by credit managers who are guilty, for certainly the effect is far-reaching and serious for all concerned. Another danger concerns those in automobile and appliance financing who are extending terms over longer periods and requiring very little or no down payment but protecting their note and mortgage by additional collateral. Many consumers do not realize the position in which they are placing themselves until the time comes to assume further obligations. Extension of credit of this type is not to the advantage of the consumer and generally is a means of taking advantage of an anxious but confused customer. It should be remembered by the credit grantor and the consumer that present obligations are being based on present favorable incomes and any minor event sometimes could affect their entire standard of living when obligations are equal to or in excess of total assets and current income. It is the responsibility of all credit grantors to realize this situation and in all fairness to themselves and to their customers extend credit on an intelligent basis.—Grover C. Ritchie, Citizens Bank, Charlotte, North Carolina.

The most important credit problem for 1955 is for all of us to do something about improving our profession. Suggest we all cooperate as follows: 1. Get every merchant who is doing a credit business in our area to belong to our local and national associations. 2. Abide by the N.R.C.A. Code of Ethics. 3. Cooperate fully by turning in all derogatory information. 4. Get a report on every new applicant and check promptly on those slow-pay accounts. 5. Refuse to extend credit to those unworthy of it. 6. Cooperate fully in educational and publicity programs.—R. T. Schatz, Washington Water Power Company, Spokane, Washington.

★ ★ ★

The year 1954 was a good one for business as a whole and there are no indications at the present that 1955 will not be even better. Therefore, credit problems in the retail field should not be any different, or more difficult, than they have been for us during the year just ended. Of course, there will be local conditions which will vary the business barometer in different sections of the country, but on the whole, profits for 1955 should exceed those of 1954. There are many things to lead us to believe that we will have full employment and as long as we have that, retail credit problems are at their minimum. We cannot cast aside the fundamentals which establish a sound credit policy. The credit tools, which have been proved useful over a period of years, will still be the foundation which will eliminate any unusual credit problems in the coming year. A lot of people ask, 'Is the postwar readjustment completed?' If so, and we use yardsticks of postwar periods of the past, then business should start some downward trend. I do not believe that it has been completed. We are still living in a political economy and as long as we are in such an economy, it will be 'pump-priming' on the government's part if it becomes necessary. Automobile production is at an all-time high. More new homes are being started than ever before, currently at the rate of one million or more a year, a gross national product in excess of 350 billion dollars annually, national income almost 300 billion dollars. Highway construction is running in excess of ten billion dollars a year with easy money rates. All of these and many others would indicate that the present uptrend in business will carry through 1955. A word of caution: Consumer buying for the first six or eight weeks in the New Year must be tested to see if any unusual marked drop is noticed after the Christmas buying peak. Also, it will be interesting to watch to see if new automobiles are being moved out of the dealers' showrooms. These should be things to watch closely in that these signs during the early part of the year could change the outlook for the balance of 1955. Competition no doubt will be at its keenest and tremendous sums of money will be channeled through advertising to stimulate buying. Most of us were not quite as optimistic a year ago. Time has been spent in revising and bringing up-to-date our credit files and in training additional personnel for credit and adjustment work. Therefore, with well-trained credit and adjustment department staffs, delinquencies should be below normal and credit losses certainly not in excess of those of 1954.—R. W. Shilling, The Bank of Georgia, Atlanta, Georgia.

★ ★ ★

People are borrowing and they are buying, so the credit sales manager in 1955 will keep promoting those sales and making terms with the customer for payment. Last year I said the important retail credit problem was to 'curb' the buying of the 'unsafe' credit buyer. This I believe will be the biggest problem in 1955. There will be unemployment. The low-income group will want the nice things that the neighbors have but cannot afford. We in the furniture business will encourage new accounts, reactivation of closed accounts and add-ons on open accounts throughout the year, but the credit department will thoroughly analyze credit bureau reports.—Robert W. Schmidt, Reifers Furniture Company, Lafayette, Indiana.

★ ★ ★

The principal credit challenge of 1955 will be to obtain adequate down payments on all merchandise, both soft and hard. The new year promises to be one of high production. With most stores and warehouses filled with merchandise, the emphasis will be on the movement of goods. Management will be calling for more charge, instalment, and budget accounts. This adds to the responsibility of the credit department to approach its task firmly, realistically, and, perhaps,

just a little prayerfully where the policy is to let goods out with no down payment. Credit managers can expect a real test in 1955. May we all be equal to it.—Royce Schert, Wichita Eagle Publishing Company, Inc., Wichita, Kansas.

* * *

There will be no problem of sales in 1955 as it is the opinion of those with whom I have talked that the coming year will show a continued rise in income and sales volume. The particular problem of retail credit will be the ability of the credit managers to restrict overbuying. To explain this statement, it will be difficult to analyze properly the ability of customers to pay and hence to know at what level to hold their individual purchases. Credit managers must not be too enthusiastic about conditions, yet, at the same time, they must be careful not to underestimate the purchasing power of their customers. It seems that more and more of the department stores are handling instalment financing with balances being paid in from three to six months. I have listened to arguments pro and con and it is not my desire to take a stand on this question. It will require that credit granters be more careful in the granting of such credit with particular emphasis on more detailed credit reports and investigations. From inquiries I have made in this section, it appears that retail sales will increase during 1955 with some increase in instalment rather than normal credit selling. Credit granters must exercise caution to be neither too bullish nor too bearish on forecasting economic conditions.—John W. Stovall, Republic National Bank of Dallas, Dallas, Texas.

* * *

The most important retail credit problem for 1955 will be not only to maintain but to increase credit sales, while giving closer supervision at the same time to applications for credit. Many problems will arise from day to day which will all seem important, but these will be relegated to the background if we can maintain a buoyant economy. A warm, friendly attitude on the part of the credit office, with each member extending every courtesy to the customer, will help boost credit sales. Should changing conditions ensue, which I do not anticipate, one and all will have to be alert to meet the challenge.—William J. Tate, Charles Ogilvy, Ltd., Ottawa, Ontario, Canada, President, National Retail Credit Association.

* * *

There are two important problems for 1955. The economic experts and our own present experience indicate that retail business should continue to be good. Therefore, the credit executive must be aggressive in opening new accounts and introducing new types of credit if necessary to capture a good share of the local retail dollar for his store. He must discard conventional methods of solicitation and try something more daring. Top management will always agree that a substantial increase in business is worth risking a few fraction points in the profit-and-loss ratio for. A strong collection department can always minimize that risk. The second problem is rising operating costs. An increase in number of accounts does not necessarily mean a corresponding increase in expense. All procedures should be examined for possible streamlining. Excessive paper handling and duplication of motion should be eliminated. The calculated-risk principle should be used whenever practicable to save money when it is apparent that the cost of controlling a factor outweighs the potential risk. The two problems for 1955 are aggressive promotion of new business plus constant examination of expense.—L. Winthrop, B. Gertz, Inc., Long Island, New York.

* * *

Production and labor, although not actually credit mediums, will be the basis for determining credit policy in 1955. Credit management's problem will be to anticipate and properly align these factors with the credit program.—H. J. Wood, People's First National Bank & Trust Company, Pittsburgh, Pennsylvania.

* * *

One of the most perplexing problems to face the merchants is the ever-increasing laxity in credit buying. Since the great decline and near-termination in the output of defense materials, the industrial world has turned once more to depend primarily on the buying power of the consumer. Competition has reached an all-time pitch, which naturally entices the consumer to want many of the luxuries which in the pre-war era were not displayed. To accommodate the consumer and to avoid overproduction, credit standards have had to fall, wherein the consumer in many instances has gone in

over his head. It is a well-established fact that the burden of production must fall on the consumer, but at the same time it is the responsibility of the retail merchant to see that the individual consumer buys within his economic status, thus preventing the customer from undertaking too much of a burden. Credit executives must foresee this pitfall and the best way to prevent it is to adhere to a sound credit policy.—Mrs. Florence A. Wyatt, Butterworth Furniture Company, Richmond, Virginia.

* * *

Today in many businesses the largest asset appearing on the financial statement is accounts receivable. In the past five years the ratio of this asset to other assets has increased steadily due to credit sales. We are in a period of almost full employment, yet delinquencies have increased. Management must realize that accounts cannot be properly serviced without adequate personnel. The accounts that need extra attention are the various types of instalment accounts. We cannot accept the marginal risk, regardless of how sales conscious we are, without adequate safeguards. If we can keep our customers paying promptly, we keep them buying.—S. S. Zeve, Franklin Furniture Co., St. Louis, Missouri.

Opinions of Bureau Managers

The most important credit problems for 1955 are:

1. The need for greater cooperation between retail credit granters in centralizing information so as to enable credit granters to appraise better the credit offered by prospective customers.
2. Create within metropolitan buying areas a more effective index of consumer credit transactions, simultaneously ensuring accumulation of adverse factors to ensure the integrity of their accounts receivable better.
3. Credit granters to appreciate better their obligation to act as advisors and counselors to the buying public, to the end that distressed debt situations are reduced to a minimum.—Charles J. Benson, Retailers Credit Association of San Francisco, Inc., San Francisco, California.

* * *

Stressing the positive approach to consumer credit should be our aim in 1955, and every year thereafter. People in credit work should forget the 'cop on the corner' attitude. The day of the 'sourpuss' credit person is a thing of the past. We are all in 'sales.' Every effort should be made to promote credit sales and facilitate credit extension. Fast credit service to the customer is imperative, which also means that the bureau manager's main job right now is to return his reports not only accurately but really fast. 'Streamlined' service should be used wherever possible.—Bernard J. Duffy, Credit Bureau of St. Paul, St. Paul, Minnesota.

* * *

The problem will continue to be 'more credit sales' as I feel that volume can be increased only by broadening the credit structure. Such credit sales should be carefully checked to ascertain that the people are able to handle the amount requested.—J. M. Dungan, Salinas Valley Credit Bureau, Salinas, California.

* * *

We have now arrived at a period of business normalcy, with merchandise of every type plentiful and all business geared to the best selling techniques ever devised. Merchandise is on the market that has been considered a luxury in the past but now is considered a necessity, thereby bringing about 'overloadedness' on the part of many consumers. Because of these facts, the most important credit problem for 1955 is a joint one of the credit bureau manager and the credit manager. The various needs of each should be clearly understood by both, and full cooperation shou'd be given in seeing that all information available on the credit customer is recorded in the bureau's master files. The absolute necessity of this complete cooperation is easily realized when we know how difficult it is to collect from overloaded customers. The only protection is a credit report which contains all the information from all credit granters.—Frank K. Edmonds, Credit Bureau of Johnson City, Johnson City, Tennessee.

* * *

Two things impress me as important considerations. One involves the loosening of terms during the latter part of 1954 and the heavy advertising of same. Under these circumstances, it behooves every credit manager and every bureau manager to be more alert in the careful screening of credit applicants and to see that all possible account information is

reported to the credit bureau in order that a complete picture may be obtained. The other involves the need for better service to credit granters, credit bureaus, and to customers. With staffs in better condition now, a great deal of attention is needed to see that the best possible service is being rendered by all concerned.—Gordon W. Gray, Credit Bureau of Cleveland, Inc., Cleveland, Ohio.

* * *

The greatest credit problem confronting retailers is the problem of keeping the customer from overbuying. There are too many creditors who are willing to gamble on their ability to collect where others have failed. There is a tendency on the part of dealers to sell merchandise on credit and hold a chattel mortgage, when a credit report clearly indicates that the sale should not be made. I assume that repossession is what they have in mind if they are unable to collect. Retail credit granters must use more caution in selling merchandise beyond the ability of the buyer to pay.—Marshall H. Gregory, Collection Manager, Credit Bureau of Alexandria, Alexandria, Louisiana.

* * *

Every credit manager should, at once, re-evaluate for himself and his firm the basic fundamentals upon which consumer credit has been developed in this nation, and the basis upon which it has been extended with reasonable degree of safety for all credit granters. During 1954 there were those who deviated from established credit granting policies to such an extent that losses must have increased beyond all reasonable bounds. Such theories as have been advanced to set aside sound preinvestigation of new credit applicants are still mainly theories, and proof can already be submitted convincingly that any substitution for credit investigation is ill-founded. The thousands of dollars invested by credit management and credit bureaus over the country in years past for the better education of the public relative to the requirements for good credit rating will have flown out of the window if such practices are to be continued or enlarged upon during 1955. If credit is to be made so cheap that anyone can buy in unlimited and uncontrolled sums whatever he wishes, it stands to reason that the basis for credit will soon be set aside, resulting in irreparable damage to the entire consumer credit system. It is my view that no substitute for sound credit granting should be adopted by anyone, or any group of retailers, unless such substitute does not set aside the cardinal principles upon which the American system of consumer credit was established. Anything short of this could lead to the eventual downfall of the valuable sales forces that consumer credit has provided for the American businessman. Credit management should insist that the dignity attached to the consumer credit system be maintained at the highest possible level during 1955.—Arthur F. Henning, Retailers Credit Association, Sacramento, California.

* * *

It would first seem desirable to determine, on the basis of current known factors, just what the general economy or business conditions may be in the year ahead, for to a great extent these conditions determine the retail credit problems that may be expected in 1955. From where we sit, our estimate of business conditions for 1955 is generally favorable, perhaps a somewhat more stable economy with a leveling off of the so-called 'boom' conditions; relatively little unemployment; continuance of a satisfactory level of earnings which in turn means buying power. If the above assumption is correct, then three important and related problems loom large in the field of retail credit.

1. How to maintain the present high volume of credit sales.

2. How to increase credit sales beyond present levels with safety, maintaining a favorable collection ratio and an acquisition cost that will produce a satisfactory profit.

Why are these important problems? Because buyers continue to be increasingly price conscious. Because buyers, particularly marginal groups, are becoming more reluctant to part with their earnings both before and after having made their purchases. Because buyers are shopping for quality 'bargains' which are immediately available. This buyer's market will continue and it will be a tougher one to crack. The third and closely related important problem is:

3. Improvement and expansion of credit-reporting facilities and procedures, to meet the urgent need for adequate and accurate information vital to the fast approval of credit sales.

It would appear that the challenge of problems one and two cannot be satisfactorily met unless three is also

recognized and simultaneously dealt with, by those who are either directly or indirectly responsible for the promotion and development of retail credit sales.—R. M. Holmes, The Credit Bureau, Inc., Atlanta, Georgia.

* * *

Business in 1955, from all predictions, should be the biggest in our history. What are the retailers doing to get their share? We experimented before the first of the year and ran an ad in the newspapers, 'You too can have a charge account at your favorite Decatur stores,' with a coupon to be mailed to the Charge-Account Service, a customer service of the Credit Bureau of Decatur. It was amazing the number of people who wanted to open charge accounts here who have not been contacted any other way. Many wanted to have charge-account privileges in four or five stores. It seems to me, if this condition is typical of other cities, there will be a tremendous potential available for the aggressive, promotional-minded store interested in increasing its charge customers, at the same time increasing its volume, but, most important, increasing its profit.—George P. Johns, Credit Bureau of Decatur, Decatur, Illinois.

* * *

The problem more acute in 1955 than previously is the necessity of servicing the credit customer promptly. Consumer credit has been expanded in the minds of the customer from a courtesy or convenience to a good customer's right. With over 75 per cent of customers being classified as prompt-pay, it is reasonable to presume that business must find a way to serve these customers more promptly—an acceptance by the credit fraternity of a behavior pattern established by the customer and recorded in the files of the credit bureau, as a basis for immediate acceptance as a credit customer without the delay which may be occasioned by further investigation. This presents a challenge to the best minds in the credit profession. A suggestion worthy of consideration is that an applicant for a new account, approximately 30 years of age, with a record of steady and permanent employment and prompt-paying habits over a period of five years with no derogatory reports, should be serviced promptly. This presents, automatically, two other problems: first, that credit men accept the responsibility of reporting promptly to the credit bureau all slow and unsatisfactory accounts; and second, that the bureau accept the responsibility of recording such data in the files immediately. I believe that credit cooperation is a give-and-take proposition, a two-way street. The credit fraternity will measure up to the challenge with increased and more profitable business. Some good ideas should come out of the challenge given in July, 1954, at the San Francisco Conference, by George Scott of San Diego, California.—A. J. Kruse, Credit Bureau of St. Louis, St. Louis, Missouri.

* * *

The preservation of good will is always an important objective of management, credit executives, and bureau managers alike. To accomplish this objective, it is necessary to have ample information on credit applicants and to have it promptly. Good credit extension and effective collection procedure call for good judgment. Improved methods and close cooperation will overcome most of the problems facing us in 1955. I expect most of our problems will not be too new to us. Sound principles of investigation and extension make for a profitable credit volume and maintain customer good will. Reasonably close follow-up on collections will promote better sales to regular customers and provide a more satisfactory collection percentage.—Charles E. Moorman, Credit Bureau of Jacksonville, Jacksonville, Florida.

* * *

The major problem confronting the credit manager during 1955 will be to maintain a maximum volume of profitable sales. During this leveling-off period, with greater competition for the consumer's dollar, it will be necessary to keep in close touch with local economic conditions and employment. A careful analysis of new credit applications with closer screening of slow accounts to prevent overloading, and proper follow-up on collections should put the credit department in a sound position without serious effect on sales. Considerable improvement in credit reporting and collection services has been developed in offices by the Associated Credit Bureaus of America during the past few years and close cooperation between the credit grantor and the bureau manager should, in my opinion, result in a satisfactory solution to most credit and collection problems.—H. E. Polzin, Commercial Service Bureau, Oshkosh, Wisconsin.

(To be continued next month.)

CREDIT FLASHERS

Committee's Report of Fraud Prevention

In 1952 a committee of Credit Bureau Managers was appointed to deal with the problem of fraud prevention. This committee was appointed because there was growing evidence that fraud problems, such as bad checks, shoplifters, dishonest employees, and related crimes, were increasing. There was some evidence that very few cities had set up a separate organization, either as part of the Credit Bureau or independent of it, to handle this problem. The committee was given broad authority to investigate the problem and make whatever recommendations seemed in order.

The committee surveyed 67 representative credit bureau communities and found that 40 of these had no fraud prevention service. While 27 did have some type of fraud prevention service, only seven maintained separate departments for this purpose. It is a practical impossibility to provide fraud prevention service from general Credit Bureau records, so the committee assumed that only seven out of 67 had dealt with this problem in an effective manner. There is no question that if Credit Bureaus operated such a fraud service, it would be of great value to merchants, and also provide an excellent source of personnel selection report inquiries for the Credit Bureau. If fraud prevention work is handled by an organization independently of the Credit Bureau, there should be mutually satisfactory liaison between the two organizations, so that the Credit Bureau would obtain personnel selection report inquiries and also have access to the special information in the separate fraud prevention bureau.

The committee urges every Credit Bureau manager to discuss with his principals the need for specialized protection of this kind. Also, the National Retail Credit

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Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont and Quebec, New Brunswick, Nova Scotia and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, April 24, 25, and 26, 1955.

District Three (Florida, Georgia, North Carolina and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting at the Tutwiler Hotel, Birmingham, Alabama, April 17, 18, 19, and 20, 1955.

District Eight (Texas) will hold its annual meeting at the Buccaneer Hotel, Galveston, Texas, May 22, 23, and 24, 1955.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting in Casper, Wyoming, May 15, 16, and 17, 1955.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) will hold its annual meeting at the Vancouver Hotel, Vancouver, British Columbia, Canada, May 21, 22, 23, and 24, 1955.

Association should urge its members that each community should agree on the handling of this problem and that some positive action should be taken in the near future in cooperation with the local Credit Bureau.

The committee's report concludes with the following list of communities having well-organized protection operations: Cleveland, Ohio; Los Angeles, California; Dallas, Texas; Peoria, Illinois; Detroit, Michigan; Kansas City, Missouri; Columbus, Ohio; Fort Worth, Texas; San Antonio, Texas; Akron, Ohio; Boston, Massachusetts; Long Beach, California; New York, New York; and Minneapolis, Minnesota.

For a complete copy of the committee's report, write to: John J. Canavan, Sr., Manager, Credit Bureau of Greater Boston, 11 Beacon Street, Boston, Massachusetts.

"All-Girl Panel" at Boston

An interesting and different program took place recently at a monthly meeting of the Retail Credit Association of Boston, Boston, Massachusetts. The program consisted of an "all-girl panel" of credit managers who discussed the subject, "New Ideas for Credit Sales and Collections." Members of the panel were: Mary G. Foran, Conrad & Company, Chairman; Josephine Kenneally, C. Crawford Hollidge, Ltd.; Mary Courtney, Rogers Peet Company; and Marjorie Hall, T. D. Whitney Company. The panel held the interest of the audience for the entire evening. Invited guests were: Mrs. Frances Peterson, President, Boston Retail Credit Women's Association; and Celia Shapiro, Past President of the same Association. Frances M. Hernan, President, Retail Credit Association of Boston, presided at the meeting.

"Credit Women"

(Beginning on page 13.)

2. Globe, to remind us that we are international in scope.
3. Book, to impress us with the thought that it is our duty to grow and increase in knowledge of the job which is ours.
4. Stars, to remind us that it is only in working valiantly with high ideals that we can reach great heights.
5. Links, to remind us that our chain of friendship stretches around our continent and that it is up to each club to make its link a strong one in the chain.

CLUB CREED

I believe in the principles and purposes of Credit Women. I strive always to become more efficient. I move forward in the endeavor of Credit. I protect the confidence entrusted to me. I am ready to give as well as to take. I cooperate universally for the welfare of Credit. I am loyal to my club in thought, word, and deed. I am true to myself, my associates, and to my God. I maintain always, "Faith, Vision and Courage."

With all these cardinal virtues which are such valuable assets and with the ever ready support of the National Retail Credit Association and Associated Credit Bureaus of America, our local Credit Bureaus, the participation in and cooperation of our employers, we, as credit women, hope to always have the vision to aspire to the greatest heights of our ability in the credit world. ★★

Contest for Annual Conference Attendance

A contest to stimulate attendance at the annual District and National Conferences is now in progress at the Finger Furniture Company, Houston, Texas. The first prize is a trip by airplane to Louisville, Kentucky, to attend our Annual Conference, June 20-23, 1955, with all expenses paid. The second prize is a trip by automobile to Galveston, Texas, to attend the annual conference of District 8, N.R.C.A., with all expenses paid. The purpose of the contest is to improve collections and reduce the number of past-due accounts. The contest will run from January 31, 1955, through April 30, 1955. In the rules of the contest, Charles J. McClain, General Credit Manager, said, "This is a wonderful opportunity

Motion Picture Now Available

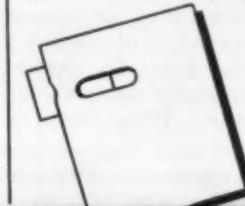
It is with pride and satisfaction that we announce the completion of an important consumer education project. The National Retail Credit Association is now making distribution of a 16mm motion picture film entitled "The Good Things of Life on Credit." In 26 minutes of attention-holding drama of family life with professional narration the story of consumer credit is presented. Every local retail credit association, in cooperation with the credit bureau, should own a copy of this film and exhibit it as often as possible to all kinds of audiences. Write to the National Office for details.

"I spend LESS and get MORE"

... that's what the Credit Manager of a large specialty store in the Great Lakes region wrote to us recently. He uses REPLY-O-LETTERS to get new accounts and to bring back inactives. He spends LESS than he did before and gets BETTER RESULTS.

NOW when budgets are watched carefully, it will pay you to find out how you, too, can SPEND LESS AND GET MORE—

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7 CENTRAL PARK WEST, NEW YORK 23, N. Y.

for you to be a delegate of your company at one of the most outstanding and nationally recognized conferences in the country." Great enthusiasm among the credit personnel is being exercised in this contest for the winners to go to Louisville and Galveston.

New Officers and Directors at Houston, Texas

In our February CREDIT WORLD we inadvertently published the wrong list of officers and directors for the Houston Retail Credit Association, Houston, Texas. The following are the officers and directors for the ensuing year: President, Richard G. Sneed, Jr., City National Bank; First Vice President, James Clark, Foley's; Second Vice President, Mary Bess Causey, Avenue Floral; Secretary, R. K. Pinger, Credit Bureau of Greater Houston; Assistant Secretary, LeRoy Andrews, Credit Bureau of Greater Houston; and Treasurer, Jack Williams, Norton-Ditto. Directors: J. D. Miller, J. D. Miller Company; R. W. Berrong, Continental Oil Company; F. L. VanRiper, James Furniture Company; Collier Pope, Houston Natural Gas Corporation; Robert M. Rand, Battelstein's; George Asbeck, Rolle, Jewett & Beck; Laura James, Southern Blue Print Company; and Larry Newton, Rolle, Jewett & Beck.

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Banking and Finance QUESTION

When a financial institution buys sales contracts, what factors determine whether they will be bought with or without recourse?

ANSWERS

L. A. Brumbaugh, Valley National Bank, Phoenix, Arizona: When a financial institution purchases sales contracts, the credit worth of the customer sometimes determines whether an individual contract is taken with or without recourse. Primarily, however, considerations relating to the merchandise financed determine whether recourse is required. When dealer cooperation is needed:

1. To know the value of the merchandise when purchased and when and if repossessed;
2. To assure service to keep it in good working order;
3. To recondition it after repossession; and
4. To offer it for resale, recourse is required.

Such cooperation is often needed when financing appliances and contracts on them are therefore purchased with recourse. Such dealer cooperation is not so necessary when financing automobiles, especially new ones, and recourse on the dealer may not, therefore, be a requisite.

R. H. Costello, Pullman Trust & Savings Bank, Chicago, Illinois: So many factors enter into the purchase of conditional sales contracts that it would be difficult to give all the conditions under which it would be possible to purchase recourse paper successfully. As a matter of policy, we do not purchase paper on a guaranteed basis. We have seen too many retail concerns fail because a financing agency purchased their paper on a recourse basis. The failures, of course, result from purely human weaknesses, but they do occur and must be faced. Purchases are made by the lender on the basis of the seller's worth, not that of the buyer's, and credit sales are made by the seller, knowing the lender will accept the paper. The result is a rapid build-up of contingent liability which is seldom recognized and is frequently fatal. In spite of this, of course, we occasionally do accept a limited repurchase or recourse program, safeguarding the portfolio by holding back a substantial portion of the advance, retaining it in a special reserve against which losses are first charged. As a rule such programs are restricted to new fields in which we have had no experience. When satisfactory experience has been gained, we revert to our nonrecourse plan of operation.

O. W. Frieberg, American Trust Company, San Francisco, California: In the ordinary course of financing arrangements with a dealer, sales contracts should be purchased with recourse or under a repurchase

agreement. A sale is actually not completed until the conditional sale contract as a title retention instrument has been paid. The seller, under a conditional sale contract, should have a continuing obligation to service the contract and the merchandise or equipment, at least until the contract is paid. A dealer interested in completing the sale through the payment of the contract will carefully check the credit of the purchaser and make the sale properly rather than rely on the uncertain security of the repossession of the goods sold.

Instalment sales financing is not just another method of lending money to consumers for the purchase of goods. Where the financial institution does not originate the paper, it has not had the opportunity to make a personal appraisal of the customer, and the attitude of many instalment purchasers toward the obligation is much different than that of direct borrowers toward their obligations. In the one case he may feel that he must pay the obligation in money where the proceeds of the loan were paid to him. In the other, he may feel that the indebtedness can be extinguished by a return or repossession of the merchandise. If the merchandise sold under a conditional sale contract is not satisfactory or the merchandise or service is not as represented, he may feel that he is justified in refusing to make the payments. Instalment selling is a device enabling the dealer to sell more merchandise and, as the seller, have a continuing responsibility for the sale. Under such a policy the three parties to the transaction all benefit; the dealer in more firm sales, the financial institution in better risks, and the purchaser the assurance of a sounder sale, with a lessened tendency to sell credit terms rather than the merchandise. When credit is extended by the financial institution by originating the transaction in requesting the dealer to cooperate in assigning a conditional sale contract, the conditional sale contract becomes a security device to be used instead of a chattel mortgage and is essentially a direct loan.

Where it may become necessary to purchase sales contracts without recourse, if such may be the policy adopted, the financial institution must look primarily to the responsibility of the buyer and only secondarily to the value of the goods for repayment of the loan. The purchase of sales contracts without recourse should not be undertaken without a knowledge of the nature of the merchandise and its resale value, the responsibility of the buyer, and how repossession would be made in the event of default by the buyer. Otherwise, the credit standards on the basis of which sales contracts are purchased without recourse should be essentially the same as those for unsecured personal loans. There must be an awareness of the responsibility of the dealer to whom the privilege is extended for originating paper for the financial institution, assuming no direct responsibility other than the

implied warranties as to the title of merchandise and to the genuineness of the contract.

Cyril J. Jedlicka, City National Bank & Trust Company, Kansas City, Missouri: Before buying any type of sales contracts from dealers, a financial institution should first set up adequate credit facilities to verify and investigate the deals submitted with a properly trained credit man to pass on and supervise the individual credits. In addition, a collection department should be set up to supervise past-due accounts properly with an automatic follow-up and a definite procedure for liquidating troublesome accounts and repossession. With such procedure and trained personnel, it is possible for the lender to buy such paper as is acceptable to it either on a recourse or on a nonrecourse basis. In many localities by custom and practice, most paper of this type is handled on a recourse basis, while in others nearly all is handled without recourse. Some lenders by their own choice will handle paper of this type with recourse, while others, for an adequate rate, are willing to buy on a nonrecourse basis. Usually nonrecourse paper is handled on a higher rate of return to the lender because of the necessity of setting up larger reserves for losses and repossession. If the dealer endorses the contract, usually he participates in the finance charges made through a reserve arrangement.

Generally speaking, automobile sales contracts are handled nonrecourse or else sold under a repurchase agreement or in some few cases with a partial guarantee of some kind. Automobile paper, properly made, generally is recognized as very desirable by most lenders and the usual prompt payment record coupled with a fair return and a sizable unit deal leads to a very intense competition for this class of paper. Also, there is a ready market available for disposal of repossession which is not true in the case of many other types of merchandise. On other types of sales contracts, the acceptability and, of course, the resalability of the merchandise largely determine whether the contract must be endorsed or not. Television paper, because of the possibility of need for mechanical service, usually requires full endorsement. Specialized or heavy merchandise also generally requires endorsement. New items or machines not yet proved in actual performance and acceptance also must be endorsed.

Most lenders feel that in buying sales contract paper from a dealer, they are actually in a limited partnership with the dealer. First of all, the lender must purchase most of the paper, not just the cream risks offered, as the dealer must have a good volume of business. Adequate collection facilities must be offered and even then some repossession are unavoidable. In most cases the dealer is equipped to pick up the merchandise, recondition and resell the article at much less expense than the lender. The lender, therefore, feels that the dealer should perform these services. Usually a portion of the finance charges are set up in a reserve account to reimburse the dealer for this guarantee and endorsement. The dealer wants a reliable, continuing source for his paper and his cooperation with the lender can help to ensure such a source.

R. W. Schilling, The Bank of Georgia, Atlanta, Georgia: The main factor to be taken into consideration in connection with the purchase of sales contracts with or without recourse is the competition in

your area. In our particular area, all of the major financial institutions are bidding constantly for this type of business. However, the majority of it is purchased on some form of recourse on the dealer. Repurchase agreements are also used extensively. There are a number of important factors to consider when buying time sales paper. The fundamental principles in approving consumer credit apply. Other factors to consider are the present economy; the outlook in regard to full employment; what the value of the article will be in the event of a repossession; and the dealer involved.

In purchasing paper with recourse, the character of the dealer is most important. If he uses sales methods which are entirely honest and aboveboard, you can go much further with this type of dealer than you can with one who uses questionable sales methods, even though his financial statement might look much better than the other dealer's. The dealer, to be sufficiently qualified, should have experience and financial backing. When one goes out of business, there is a great tendency for his customers to use this as an excuse for defaulting on their contracts. He should at all times be equipped to service and maintain the merchandise which he sells. If he does not have a service department, he should be required to have a contract with a qualified company to handle the service for him. The resale value and down payment requirements are most important. Certainly not less than 25 per cent down payment should be required if it is on a nonrecourse basis, and a minimum of 10 per cent with full recourse. The class of business which the dealer caters to is a determining factor. If he sells principally to a low-income group, collection costs may exceed his profits regardless of the financial condition of the dealer. There are many minor details which cannot be covered fully in an article of this nature.

Keene W. Wolfe, Michigan National Bank, Battle Creek, Michigan: This question poses various problems in different sized banks and cities. We can only speak from our own experience and of the factors which determine the condition under which contracts are purchased in a small city by a country bank. Some of the factors to be considered are: The type of merchandise listed on the contract, the amount of down payment on the merchandise, the length of time the contract is to run, the type of contract and the pay record of the borrower. In my estimation each and every one of these factors carries considerable weight in determining the condition under which the contract will be bought. I am not trying to list these in the order of their importance as each factor bears weight along with each other factor.

Let us consider the type of merchandise listed in our situation. We purchase automobile contracts with or without recourse, depending on several of the other factors. First, any contract on a new automobile with less than one-third down that runs for thirty months, we consider a hazardous risk and ask for full repurchase on the contract. However, if the contract has the one-third down and is running 24 months we will consider it on a nonrecourse basis. Cars other than new, back to 1951, if they meet our requirements of one-third down and are of an 18-month duration or less, we consider on a nonrecourse basis. Older automobiles are not considered unless a strong dealer is willing to sign recourse on the contract.

★★★

● "Albuquerque"

(Beginning on Page 2.)

feel that they can match the most progressive national leaders in the credit field. Economically speaking, our community is a relatively new frontier, and our credit men and women must constantly cope with growing pains and expanding businesses that would tax the mettle and knowledge of the most experienced credit man.

As in most cities, we are still trying to find a solution to ensure the filing of all derogatory information in the files of the Credit Bureau. They do an excellent job of posting and publishing all legal record, news, and collection items. We have had fair success in obtaining delinquent lists from members of the Credit Bureau. However, our goal of 100 per cent reporting of all past-due accounts is yet to be realized. With this in view, consideration is being given to require ratings on all accounts by each member on a cycle basis throughout the year. The incentive here would be the availability of credit information which is so necessary for the giving of up-to-date file information. The all-important past-due information would come as an automatic by-product. We know that all of our members are aggressively credit sales conscious, and it is to their advantage to have all credit files as up to date as it is possible to have them.

The officers and directors of the Albuquerque Retail Credit Association for 1954-1955 are: J. C. Randolph,

President, Southern Union Gas Company; Edward L. Kaufman, Vice President, Oden Chevrolet, Inc.; Chapin S. Carnes Secretary-Treasurer, Credit Bureau of Albuquerque; Sigmund Blaugrund, Director, American Furniture Co.; Robert S. Bowland, Director, Fedway; Ruth L. Butler, Director, Yearout Electric Co.; C. E. Dinkle, Director, Albuquerque National Bank; Frank D. Fogg, Director, Fogg Jewelry Co.; Victor W. Hartzell, Director, Kirkpatrick Finance Co.; Ray Lenihan, Director, Korber Hardware Co.; Vilo G. Lewis, Director, Continental Oil Co.; Margaret Redmond, Director, Kistler-Collister; Bernard C. Stromberg, Director, Stromberg's Men's Wear; R. B. Fuller, Ex-Officio Director, Provident Finance Co.; John Ward, Director and National Director, District 9, Lovelace Clinic; and Margaret Mayer, Director and Treasurer, District 9, Credit Women's Breakfast Clubs, McMurtry Mfg. Co.

Albuquerque, due to its central location in the state, is the shipping, shopping, and communications center of a very large area. As a result, the businessmen and credit executives are looking forward to a bigger and better year in 1955. From the Land of Enchantment, and the "Duke City," we extend to all a warm hand of fellowship, and a genuine welcome to come and visit us.

● "Know Your Money"

(Beginning on Page 16.)

sistent record of short checks. This is an almost irrevocable blot on his otherwise good credit report.

FRUCHT: Thank you, Don Puffer. I'm sure that every banker and merchant looking in on this program will heartily applaud your remarks. The short check is the bad boy in business. It causes a great deal of unhappiness:

1. Unhappiness for the short-check writer because if the practice becomes habitual, it leads to what you might call "credit suicide!" In other words, he kills his self-respect, his financial reputation, and, thereafter, he is on a cash basis, deprived of the benefit of this great medium of exchange—the check, the modern miracle in money;

2. Unhappiness to the holder of the check—because it *delays or deprives* him of that to which he is entitled; and

3. Unhappiness for the banker because it brings discredit to the check—and gives him "short-check headaches."

Now may I make a statement as a banker rather than as a moderator? Did you know that more than 90 per cent of the business in our economy is conducted by means of the check? That's nearly fifteen hundred billion dollars per year—and certainly proof enough that confidence and honesty are the rule rather than the exception, because confidence is the basic and indispensable characteristic behind the interchange of values by check.

But, unfortunately, in every department of human behavior, every good use leads to abuse. It is the abuse—the exception to the rule—that makes necessary restrictive laws and establishes policy and practice by which both the just and the unjust must be governed. Thus over the years there has been built up a substantial body of law and a uniformity in practice to safeguard transactions by check, thus discouraging losses that would undermine confidence in this modern, convenient, and expeditious medium of exchange.

Many well-intentioned people become critical of a bank when that bank declines to cash a check for them. Most frequently this unhappy incident arises when an individual, who does not have an account and is unknown in a bank, requests the bank to cash a check drawn on another bank by an equally unknown person or firm. In most instances the individual—a stranger in the bank—has honest and upright intentions and has every confidence that the check is good and will be paid upon presentation to the bank against which it is drawn. He does not realize that there are some possible 35 or more reasons

why a check may be returned unpaid. You may be interested in an enlarged sample of the little ticket that banks attach to checks that are returned for one or more of the reasons listed on the sample. You will notice there is a square in which the dishonoring bank checks the appropriate reason for returning the check.

I have marked some of the most common reasons, namely: account closed; drawn against uncollected funds; endorsement unsatisfactory; unable to locate (which is a cautious way of saying "no account"); short (namely, insufficient funds—which is the most common reason for returned items); signature unsatisfactory (which frequently means forgery); signature illegible; signature incomplete; signature unauthorized; two signatures required.

If the stranger in our general example would ask himself the question, "Would I advance money on the promissory note of a complete stranger?" we feel confident that he would recognize the justification for the bank's policy, particularly so if he realized that a bank worthy of the name has no right to speculate with the money entrusted to it by depositors and stockholders.

Now may I make a friendly suggestion for the benefit of those who have frequent occasion to cash checks and who do not carry a bank account. You will be saving yourself annoyance, frustration, and embarrassment by carrying an account in a bank. Furthermore, you will spare the feelings of those who, by reason of good business practice, are expected to say "No" when you ask them to cash your check. And no one likes to turn down a check. Certainly that is true for banks, for they succeed and prosper in direct proportion to how much and how well they serve people.

Here's what a bank account will accomplish for the individual.

1. Establish his identity in the bank.
2. Establish his moral and financial responsibility.
3. Create a reserve account against which a bank may charge returned items, if necessary.

We sincerely hope that our panel presentation on "Know Your Money" has been helpful to our viewing audience. All of us, we are sure, wish to maintain the fine integrity of our currency and our check system. If this discussion has contributed to that end, we shall feel highly rewarded for our efforts.

Kentucky—The Bluegrass State

AFTER ATTENDING the 41st Annual International Consumer Conference in Louisville, Kentucky, June 20-23, 1955, a visit to other parts of the Bluegrass State is a "must" on your list of things to do. A few sights that will be remembered a lifetime are yours in Old Kentucky, and are only a few hours of pleasant driving from Louisville. In our February CREDIT WORLD we told you about the historical highlights of the city and in this issue we want to relate some of the interesting facts about the state.

As you leave Louisville, you can feel the spray of Cumberland Falls to the east or watch the sun set on beautiful Kentucky Lake in the west; the largest man-made lake in the world, with blue waters splashing against a shoreline of 2,300 miles. You can tingle at the coolness of marvelous Mammoth Cave, one of the Seven Wonders of the World, or breathe deeply to the nostalgic strains of "My Old Kentucky Home" at Bardstown. You can mingle with statesmanship in the home of Henry Clay at Lexington and feel the silent greatness of Abraham Lincoln in the shrine at Hodgenville. You can hear the buoyant strains of "Dixie" at the nation's largest obelisk at Fairview, erected in memory of Jefferson Davis, president of the Confederacy. There is actually no boundary to the land of romance that is yours in "Old Kentucky."

There are other attractions that you will want to see: 1. Ancient buried city on Kentucky highway 51; 2. Abraham Lincoln National Historical Park on United States highway 31-E; 3. Jefferson Davis Monument on United States highway 68; 4. Bluegrass horse farms in the Lexington area; 5. "My Old Kentucky Home" at Bardstown; and 5. Kentucky Dam, the largest in the TVA system, at Gilbertsville near Benton and Paducah.

Kentucky became the second state after the 13 original colonies to join the United States on June 1, 1792. A south-central state, Kentucky is located strategically at the exchange point between the North and South, the East and West. It is bordered by Tennessee, Virginia, West Virginia, Ohio, Indiana, and Missouri. Altitudes vary from 257 to 4,150 feet. Restored Civil War trenches may be seen at Columbus—Belmont State Park,

atop the bluffs of the Mississippi, along with a huge anchor and length of chain used to close the river to Union gunboats. At Danville is located the home of Dr. Ephraim McDowell, a great pioneer surgeon. Henry Clay, famous Kentucky statesman of the early 1800's, was a native of Lexington. St. Joseph's Cathedral at Bardstown is another point of interest. John Fitch, credited as being the inventor of the first successful steamboat, lived in Bardstown. The first post office west of the Alleghenies was established in 1792 at Danville. Paducah is the home of former Vice President Alben W. Barkley and was the home of the famous humorist Irvin S. Cobb. Nathan B. Stubblefield discovered radio broadcasting and invented the first broadcasting and receiving set at Murray in 1892. The statue of Man O' War, perhaps the most famous of Kentucky thoroughbreds, may be visited at Faraway Farm near Lexington.

Shown below, on the left, is "Federal Hill," the place which inspired Stephen Collins Foster to write the popular song, "My Old Kentucky Home." Located approximately 40 miles from Louisville, the "home" was visited by Foster in 1852 and it was here he observed the happy surroundings and considerate treatment of the slaves of the estate. The songs Foster wrote, after visiting "Federal Hill," included: "My Old Kentucky Home," "Old Black Joe," and "Massa's in the Cold, Cold Ground." The picture on the right is Churchill Downs, home of the fabulous Kentucky Derby. Louisville's outstanding event since 1875, the Derby is run on the first Saturday in May each year and draws an attendance of more than 100,000. The twin spires of Churchill Downs are a Louisville landmark.

Turn to page 14 of the February, 1955, CREDIT WORLD and read about some of the interesting sights you will see when you come to Louisville next June. On page 15 of the same issue we published some information about the hotels and rates. On the same page will be found a Conference Registration Blank. Fill it out now and send it to Carson L. Bard, Credit Bureau of Louisville, 8th Floor, Marion E. Taylor Building, Louisville 2, Kentucky. At the same time, make your hotel reservation with Mr. Bard. *Do it today.*



CREDIT DEPARTMENT



LEONARD BERRY

CRITICS of retailing often direct their sharpest barbs at the lack of imaginative and enthusiastic salesmanship in our stores today. They say that far too many salespeople do nothing whatsoever to encourage the customer to buy; indeed, by their disinterest and negative attitudes, they actually stifle whatever purchasing desire might have existed. In effect, say these critics, salespeople are often just the opposite of what they should be.

Of course, such criticisms are not always justified. All of us have enjoyed the satisfaction and pleasure of being served by alert and competent salespeople. We return eagerly to those stores at which we have been given a gracious welcome and a genuine interest in our needs has been shown. Strong store loyalties and steady patronage result.

However, enough basis for the allegations exists to cause many store owners to regard improvement in the art of salesmanship a prime objective in this year of competitive challenge. And, we in the credit *sales* department, must also improve our letter techniques and imbue our communications with the spirit of thoughtful consideration and interested service. The modern credit office is truly part of *sales*.

Every business letter must be a *sales* letter if it is to achieve maximum success. Stated simply, the four fundamentals of a good letter are: The *you* approach, *positive* tone, *friendly* and *conversational* wording and *good mechanics*. These essentials apply to all credit department letters, collection, credit sales promotion, adjustment and others.

We must have clearly in our minds exactly what it is we have to *sell* in the particular letter we are writing. Then, we must find the words that will cause the reader to *want* to do as we suggest by offering valid reasons why what is suggested is desirable from the reader's point of view. And, of course, the letter must present a pleasing appearance; it is the representative and ambassador of the store or firm.

The mental attitude of the letter writer is highly important. Good ideas are necessary before effective letters can be produced. The qualities of confidence, cheerfulness, emotional restraint and self-control should be cultivated as part of the mental preparation that must precede performance. We are seeking for a favorable mental and emotional response to the subject matter of the letter. Surely then, unless the writer has a friendly and cooperative attitude the letter will not shine with the spirit of willingness to help the reader find a solution to the problem.

All this does not mean that business letters need drip with mawkish sentimentality. Business letters are written for a specific purpose; they have a job to do. It does

mean that success will come more surely and easily if the letter writer regards each letter as a *sales* letter and utilizes all the psychological approaches and appeals that are at his command.

This Month's Illustrations ➔

Illustration No. 1. Here is a collection letter used by Fedway, Albuquerque, New Mexico. A specific period of five days is stated, during which time the customer is urged to come to the credit office and make arrangements for payment of the account. It is sound procedure to state a definite time limit in a letter of this nature. A sense of urgency is thus imparted and the debtor made to realize that this is a most important matter and that failure to respond will cause the account to be placed for professional collection.

Illustration No. 2. Another letter from Fedway. This is one declining an application for credit. It is difficult to refuse credit and at the same time retain the good will of the customer. In this letter the customer is invited to call at the credit office and discuss the matter if it is felt that such discussion might be mutually profitable. Thus the door is left open for reconsideration and the edge is taken off the declination.

Illustration No. 3. In this friendly and cordial letter written by the Paris Shoe Store, Albuquerque, New Mexico, the newcomer is offered a cordial welcome to the community. The impact of the letter is strengthened if it is possible to tell the customer that a charge account has been opened and may be used immediately. The letter of welcome then has a positive tone. The newcomer does not have to bother with any formalities; simply begin to use the account now established for her.

Illustration No. 4. It often occurs that a store is willing to authorize a current charge purchase even though there may be a past-due balance still owing. This brief but friendly letter used by Kistler-Collister Company, Albuquerque, New Mexico, handles that situation in skillful manner. The customer undoubtedly appreciates the consideration shown and will thus be more inclined to reciprocate by making payment. We are glad to notice that the telephone number of the firm appears on this letterhead. As has often been stressed in this column and at our Business Communications Clinics, the telephone number is an important part of the firm's address and should always be included in the letterhead.

MEMBERS are cordially invited to send copies of their credit department letters and forms to the National Office. These are needed for our Letters Scrapbooks which are on exhibit at the International Conference.



ALBUQUERQUE, NEW MEXICO

February 2, 1955

(1)

Miss Jane Doe
600 Main Street
Albuquerque, New Mexico

Dear Miss Doe:

It is always with considerable regret that we permit a long overdue account to pass out of our hands for collection action, and it is not often necessary. Usually, our customers have good reasons why they cannot pay promptly, and by discussing the matter we can make arrangements for payment that are agreeable to both of us.

It is not too late to make such an arrangement, though your account is long overdue. You must know that an agreement about when this account will be paid is essential without further delay.

In order to give you every opportunity to make settlement, or a special payment arrangement with us, we will set this account aside for five days before taking any action. We hope that you will realize the importance of writing or phoning us, or coming in to see us, during these five days.

Very truly yours,
FEDWAY

Credit Manager

Paris Shoe Stores

207 CENTRAL AVE. WEST and 3701 CENTRAL AVE. EAST
Albuquerque, New Mexico

February 2, 1955

(3)

Mr. John C. Doe
600 Main Street
Albuquerque, New Mexico

Dear Mr. Doe:

Your recent arrival to Albuquerque has just come to our attention.

To help make your transition here as easy as possible, may we attempt to extend the same friendships and courtesies you enjoyed back home from the merchants there?

At the PARIS, you will find all the leading brands you prefer in men's, women's and children's footwear, hosiery, purses and accessories.

A charge account has been approved for you at the PARIS and may be used at once and should prove a pleasant convenience to you.

Welcome to Albuquerque.

Very truly yours,
PARIS SHOE STORES

Pete Matteucci, Jr.
Manager



ALBUQUERQUE, NEW MEXICO

February 2, 1955

(2)

Miss Jane Doe
600 Main Street
Albuquerque, New Mexico

Dear Miss Doe:

On reviewing your request for a charge account, we find that the information obtained does not permit us to establish an account for you at this time.

We realize that misunderstandings sometimes occur and that further particulars may change our decision. If you feel that our action should be reconsidered, won't you please call to discuss the question.

We are sure you will wish to continue to take advantage of our merchandise values, and possibly we may be able to extend you the convenience of credit accommodations at some future time.

Yours respectfully,
FEDWAY

Credit Manager



P.O. BOX 448
ALBUQUERQUE, NEW MEXICO

February 2, 1955

(4)

Mrs. John C. Doe
600 Main Street
Albuquerque, New Mexico

Dear Mrs. Doe:

It is always a pleasure to be able to serve you.

We have just authorized your recent charge even though there appears to be a somewhat overdue balance of \$67.23.

In order that there be no interruption in your charge privileges we suggest the prompt remittance for the past due amount.

Thank you.

Sincerely yours,
Magaret C. Goodman
Kaufman COLLISTER
Credit Department



Items of Interest
From the NATION'S CAPITAL
JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Trade Association Executives on Industry Advisory Committees: The Department of Commerce issued a statement of policy in the form of a letter to R. H. Shields, President and General Counsel of U. S. Sugar Beet Association, and Chairman, Government Relations Committee, American Trade Association Executives. In his letter Secretary of Commerce Weeks said: "The Department of Commerce places a high value on its close ties with trade associations, and I am glad to report to you that trade association executives have made a splendid contribution to the 40-odd Industry Conferences which have been held. I wish to affirm the full and equal eligibility of both company and association executives. At all industry meetings within this Department where attendance is by invitation, both industry executives and trade association executives will be eligible for participation, when they have knowledge of the subject and their attendance is appropriate. . . . I sincerely hope that all members of the American Trade Association Executives will recognize that the above statement of policy demonstrates our sincerity and appreciation of the great importance of representative trade associations in the work of the Department of Commerce."

Assistant Attorney General Stanley H. Barnes, of the Justice Department antitrust division testified before a House Judiciary Subcommittee on behalf of legislation to let the government sue for damages it had sustained as a result of antitrust law violations. During his testimony he was asked about the Commerce Department policy and made some extemporaneous remarks which he deemed it necessary to clarify by letter to Judiciary Chairman Emanuel Celler, released February 17, 1955. In this letter Judge Barnes said:

"I stated it was of general concern to the Antitrust Division whenever trade association executives sat on advisory boards of Government Departments and Agencies, since all advisory boards present antitrust problems. The Department of Justice has recommended, therefore, certain precautionary standards to guide advisory board operations so as to minimize the possibility of violation of antitrust laws. We suggested these standards to the Department of Commerce and advised them by letter of November 19, 1953, that if it followed these safeguards in setting up committees, and saw to their operation in accordance therewith, the Department of Justice would raise no objection to trade association representatives serving on Department of Commerce advisory groups."

Assistant Attorney General Barnes then restated "these precautionary safeguards" as follows:

"1. There should be statutory authority for the employment of such committees or an administrative finding

that it is necessary to utilize such committees to perform certain statutory duties.

"2. The agenda for such committees and their meetings should be initiated and formulated by the Government.

"3. The meetings to be held should be at the call of and under the chairmanship of full-time government officials.

"4. Full and complete minutes of each meeting should be kept.

"5. The functions of such committees should be purely advisory and any determinations of action to be taken should be made solely by government representatives."

In conclusion Mr. Barnes added that the Department "has no reason to believe that the Department of Commerce is not operating within these safeguards."

Twelve-Year-Old Automatic Canteen Company Case Ends: The majority FTC opinion dismissing the complaint would seem to put an effective end to this, the first buyer's case, under the Robinson-Patman Act, in spite of contrary views of former Commission Chairman Mead. When the Supreme Court decided as a matter of statutory construction that the law required the Commission to make an affirmative showing on the record that respondent, Canteen, had actual or constructive knowledge that the lower prices received by it could not be cost justified, it sent the case back for further proceedings (previously the Commission had held that the burden of showing that price differentials were justified, was on Canteen). (See *The CREDIT WORLD*, Nov. 1952 p. 24 and Oct. 1953 p. 27.)

On January 12, 1955, the Commission in a brief opinion reviewed the record and concluded that "we are left no foundation for an inference that respondent should have known that the prices it received were not justified by differences in cost of manufacture, sale, or delivery."

The Commission added: "If facts are such today in the course of the respondent's business as would warrant instigation of new proceedings on a new theory, such new facts can in nowise put the breath of life into the instant case. Nor does the final determination of this aged litigation preclude inquiry into the validity of present-day practices."

Commissioner Mead in a dissenting opinion pressed, in effect, for a revival of the case, stating, "This complaint is not being dismissed for the reason that Automatic Canteen has not violated the law. That question remains unsettled. The Commission must investigate again the practices of Automatic Canteen to determine whether or not Automatic Canteen is inducing and receiving illegal price discriminations."

comparative

COLLECTION PERCENTAGES

January 1955 vs. January 1954

N.R.C.A. DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1955			1954			1955			1954			1955			1954			1955			1954			
	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	AV.	HL	LO.	
Boston, Mass.*	43.4	50.5	39.4	43.5	52.1	37.9	16.4	32.8	7.4	15.9	30.6	8.0	—	—	—	—	—	—	—	—	—	—	—	—	
Portland, Me.	55.6	57.1	54.2	52.4	56.1	48.7	18.8	21.3	16.3	—	16.4	—	—	—	—	—	—	—	—	—	—	—	—	—	
Providence, R. I.	43.3	49.0	37.5	43.2	52.0	40.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	53.3	56.1	50.5	55.7	60.5	50.8	25.6	29.0	22.1	24.2	26.4	22.0	—	64.7	—	62.2	—	48.9	—	49.9	—	—	—	—	
Worcester, Mass.	—	—	—	49.0	52.0	45.9	—	—	—	17.7	25.2	10.3	—	—	49.3	50.7	48.0	—	—	—	—	—	—	—	
New York, N. Y.	45.5	50.0	36.7	45.2	53.0	34.1	15.5	18.7	11.7	16.3	21.9	11.9	50.5	58.4	45.8	48.4	58.5	39.7	50.1	52.9	47.4	48.4	52.0	44.9	
Birmingham, Ala.	46.6	60.2	33.1	40.1	48.1	35.3	—	—	—	16.0	18.0	13.8	41.9	46.0	36.3	38.2	45.0	33.1	45.1	49.5	39.0	47.0	49.7	44.4	
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cincinnati, Ohio	—	—	—	53.2	56.0	50.3	—	—	—	16.2	24.7	11.6	—	—	63.0	70.4	55.7	—	—	—	—	—	—	—	
Cleveland, Ohio	49.5	61.1	44.0	47.0	58.5	36.8	18.6	25.2	13.1	19.6	24.3	15.1	50.2	54.3	46.9	49.2	57.5	40.6	65.8	84.0	43.0	68.6	83.1	49.4	
Louisville, Ky.	43.7	50.5	36.8	42.5	45.3	99.7	18.3	20.6	16.0	17.5	19.1	15.9	47.7	51.5	45.5	45.7	49.1	42.4	49.4	58.9	40.6	45.5	56.6	39.0	
Milwaukee, Wis.	—	—	—	53.4	56.1	45.2	—	—	—	16.6	16.8	16.5	—	—	—	—	—	—	—	—	—	50.0	68.1	48.1	
Toledo, Ohio*	46.5	50.7	28.7	46.0	50.7	33.5	17.0	21.0	12.7	15.8	18.0	12.9	56.6	56.9	56.4	53.0	56.3	49.8	—	41.0	—	—	44.3	—	
Youngstown, Ohio*	—	35.8	—	—	38.9	—	—	12.8	—	—	13.0	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ottawa, Ont.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Minneapolis, Minn.	—	64.0	—	56.3	62.7	50.0	15.8	16.0	15.6	14.8	16.7	13.0	49.7	62.3	37.1	—	66.3	—	46.3	47.0	45.1	47.5	60.6	41.0	
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	53.4	
Kansas City, Mo.	48.9	58.4	42.4	46.9	51.9	37.5	14.2	20.3	5.9	13.2	19.0	8.2	53.1	67.0	49.7	50.8	63.8	45.4	—	—	—	—	—	—	
St. Louis, Mo.	55.3	57.2	52.9	52.5	56.8	49.8	21.0	21.3	20.8	18.0	21.2	11.7	48.1	59.0	41.0	38.9	49.6	33.0	47.5	50.1	44.6	48.1	52.5	40.4	
Dallas, Texas	50.4	58.1	38.1	50.4	62.3	46.7	—	—	—	—	—	—	44.6	55.9	42.7	45.1	54.7	41.3	52.7	62.4	44.1	52.9	62.3	40.0	
Houston, Texas	—	46.8	—	48.9	49.0	44.1	—	16.0	—	—	14.2	—	50.6	52.2	49.0	45.4	53.9	37.0	53.5	58.0	49.1	54.3	58.0	50.6	
Denver, Colo.	43.5	51.8	35.0	45.9	56.0	37.7	16.1	27.1	14.2	14.8	24.0	13.6	43.2	43.5	43.0	54.0	52.9	45.2	43.2	43.5	43.0	54.0	52.9	45.2	
Salt Lake City, Utah	51.7	54.2	50.0	49.8	51.3	48.0	20.2	28.8	16.5	19.5	23.6	18.4	—	—	—	—	—	—	54.7	—	52.7	54.4	50.9	—	
Spokane, Wash.	—	49.0	—	—	49.5	—	—	13.2	—	—	13.8	—	57.5	—	57.8	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	52.7	61.5	43.0	53.7	59.3	44.6	—	—	—	—	—	—	—	—	—	—	—	—	47.9	80.7	36.9	48.9	70.4	35.0	
Oakland, Calif.	50.4	52.8	47.2	50.9	54.1	45.2	16.2	19.1	13.8	15.8	17.2	14.5	—	51.7	—	56.2	—	—	—	—	—	—	—	—	
Santa Barbara, Calif.	63.0	66.6	54.2	62.7	64.2	60.2	—	—	—	—	—	—	57.1	59.7	53.1	58.7	63.4	56.2	62.6	65.0	59.6	57.4	63.1	48.3	
San Francisco, Calif.	—	—	—	44.1	53.5	39.0	—	—	—	17.1	18.3	13.7	—	—	43.0	48.5	40.7	—	—	45.6	47.3	41.1	—	—	
San Jose, Calif.	52.8	54.4	51.7	49.0	51.3	46.1	17.9	20.5	15.3	17.3	20.1	14.5	—	50.0	—	55.7	59.8	51.7	—	—	—	—	—	—	
Baltimore, Md.	46.0	52.0	42.0	45.2	50.4	41.7	15.0	20.6	12.7	15.9	20.0	11.6	42.9	54.3	37.5	41.5	52.4	36.9	45.9	52.7	39.1	46.3	49.8	42.9	
Philadelphia, Pa.	43.1	45.4	40.5	39.7	43.3	36.7	9.8	11.2	8.7	10.6	11.0	10.4	43.2	50.7	34.2	45.3	54.8	33.7	—	—	—	—	—	—	—
Washington, D. C.	41.6	50.7	33.9	39.8	47.0	34.6	13.8	18.7	11.1	13.1	18.6	10.9	—	—	—	—	—	—	—	—	—	—	—	—	

* Figures for December.

Consumer Credit for December

CONSUMER INSTALMENT credit outstanding increased 453 million dollars during December. This compares with increases of 280 and 723 million in 1953 and 1952, respectively. The December 1954 rise, in part seasonal, brought year-end balances outstanding to an estimated 22,467 million dollars, 280 million above the previous record high of a year earlier. All types of instalment credit, except repair and modernization loans, increased during the month. Automobile paper rose 100 million, other consumer goods 270 million, and personal loans 98 million. Instalment credit extended, estimated at 3,046 million dollars, was 492 million above the preceding month's volume. This reflected, in part, an increase in extensions of automobile credit accompanying the high rate of sales of new-model cars. Increases in credit extended for other consumer goods and personal loans were largely seasonal in nature. Little change occurred in instalment credit repaid during the month. A seasonal increase of 476 million dollars in charge accounts during December brought year-end balances to an estimated 3,518 million. Total short- and intermediate-term consumer credit outstanding at the end of December was

estimated at 30,125 million dollars, 916 million above November and 588 million above a year ago.—Federal Reserve Board.

Department Store Credit for December

INSTALMENT ACCOUNTS outstanding at department stores increased 11 per cent during December, reflecting a seasonal expansion in instalment sales. Balances at the end of the month were 7 per cent above a year earlier. The instalment collection ratio, estimated at 14 per cent in December, was 1 point above November and unchanged from a year ago. A 33 per cent increase in charge accounts, largely seasonal in nature, brought month-end balances outstanding to a level 3 per cent above a year ago. Collections in December amounted to 46 per cent of first-of-month balances, 2 points below a month ago and the same as a year earlier. Sales increases from November to December amounted to 57 per cent for cash sales, 47 per cent for charge-account sales, and 35 per cent for instalment sales. Each type of sale was also above a year ago—cash sales by 2 per cent, charge-account sales by 4 per cent, and instalment sales by 14 per cent.—Federal Reserve Board.



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

Sojourn in Rockford

NANCY BUCHANAN, President, Credit Women's Breakfast Club of Toronto, Toronto, Canada

PPOOR OLD ROCKFORD—I doubt whether it will ever be quite the same again. To be besieged by about 400 credit men and women—and for three days—must have been quite a blow to its prestige, but herewith let me assure the patient residents that the choice of site for a credit conference was no reflection on them as credit purchasers. The progressive city of Rockford, Illinois, was the scene of the Annual "Credit Conference of the National Retail Credit Association, Fifth District, the Credit Women's Breakfast Clubs of North America, Fifth and Thirteenth Districts, the Associated Credit Bureaus of America, Fifth District, the Collection Service Division of the A.C.B.ofA., and the Wisconsin Retail Credit Association, held at the Hotel Faust.

The 400 or so delegates swept in on February 4 and out again on the sixth, leaving everyone involved rather breathless, but nevertheless decidedly more aware of the latest developments in credit and collection procedure, which is, after all, the primary purpose of a meeting of this kind. You may know that Rockford is the second largest machine tool center in the world, with more than 400 factories making over 300 different types of products. We understand that Rockford is easily the most diversified industrial city in Illinois and one of the most diversified in the United States. Products bearing the label, "Made in Rockford" turn up in even the most remote parts of the globe.

Being a Breakfast Clubber, my chief interest naturally lay in attending Breakfast Club meetings and sessions, with the result that at eight o'clock on Friday morning, the first day of the Conference, I was not surprised to find myself attending a breakfast conducted by the Fifth District, of which the Toronto Club is a member. Four of the Canadian clubs were represented as follows: Lillian Donaldson, Jean Craig and Barbara Dunnet, all of Ottawa; Helena Bradley of London; Hilda Felice of St. Catharines; and Lorene Shaw and myself from Toronto.

Hilma Geiser, president of the Fifth District, was a charming hostess and, even though this may appear irrelevant, the breakfast itself was delicious. The pre-convention board meeting followed, during which the reports of the various officers and committee chairmen of the District were presented and discussed. At noon that same day, a luncheon and Annual Business Session of the Fifth District was held and the new officers for the 1955-56 season were elected, with Hattie Belknap of Ashtabula, Ohio, elected to the office of president of the Credit Women's Breakfast Club, Fifth District. We were particularly pleased and gratified to find that two Canadians had been honoured. Barbara Dunnet of the Credit Women's Breakfast Club of Ottawa is the new

First Vice President, and Lorene Shaw, of our own Club in Toronto, is now Second Vice President.

The presidents of each Club in the District presented a report on the activities and various projects of their respective clubs throughout the year, a procedure which is of immense value to everyone concerned, in that these exchanges of ideas are particularly beneficial and provide a considerable amount of new suggestions which can be acted upon.

Later that afternoon, the general sessions were held in the Junior Ballroom. Robert C. Holland, economist for the Federal Reserve Bank of Chicago, was the first speaker on the programme. His subject was "The Profit Picture in '55," in which were included some predictions for 1955. According to Mr. Holland, the economy of the United States, which will naturally affect Canada to some degree, will continue its upward surge at least until mid-year, when it will near the previous all-time high which was attained in 1953. He forecast no major change for the second half of 1955, and said that a slight rise, a slight dip or a levelling off is in prospect. The surge since last September, he said, has been "spearheaded" by a "super-prosperity" in two industries; namely, automobile and housing. Spokesmen for these industries report that there will have to be a let-down at about mid-year. The big economic question for 1955 is: Will the stimulus given to the rest of the economy by these industries' "super-prosperity" be enough to offset the effect of the predicted let-down in the same two industries? Mr. Holland's indicated answer: yes—or virtually yes.

Pointing to three postwar predictions of bad slump that missed their mark (steep recessions were predicted for 1946, 1949, and 1953-54), Mr. Holland quoted President Eisenhower's council of economic advisers as reporting that the business cycle is "apparently under reasonable control." Mr. Holland said: "We've got a new brand of economic fluctuation that's easier to take than the old boom and bust."

Importance of Consumer Credit

Dr. Miller Upton, president of Beloit College, Beloit, Wisconsin, was the next speaker and had chosen for his subject "The Sociology of Consumer Credit." Dr. Upton said that he was convinced that the day was not too far distant when creditmen would no longer call upon educators to speak on this subject, but instead would then be taking their new and vital role in the economy for granted and would no longer be "on the defensive." He laid special emphasis on the importance of consumer credit to a growing economy, although simultaneously citing some of the abuses engaged in by a few credit men, such as "hasty repossession."

Dr. Upton asserted that consumer credit provides a far greater buying choice by making it possible for the consumer to buy "when" as well as "what" he may choose. Family budgeting is much more easily managed as a result of consumer credit, which in addition also allows more farsighted planning of finances. Dr. Miller pointed to a growth in the amount of consumer credit outstanding from \$8,400,000,000 in 1946 in the United States, half in installment, half in non-installment credit, to \$29,200,000,000 in November, 1954, of which \$22,000,000 was installment credit.

The third and last speaker on Friday afternoon was Howard D. Valentine, director of sales and promotion of the People's Gas, Light and Coke Co., Chicago, Ill. His topic was "Profits Through Sales in '55." Mr. Valentine has a keen sense of humour and a wide knowledge of his subject, two of the most important ingredients which make up an interesting talk. At the outset, he stressed particularly the part played by the salesman in the design of a prosperous economy. "There is no sense in production, or in increasing production, unless the product is distributed." Several rather scathing comments were delivered on what he termed the modern stress on mass-appeal advertising and the de-emphasis of direct sales organization. Characterizing mass advertising in such terms as "brainwashing" and many of its phrases as "gobbledy-gook," Mr. Valentine said it has led to "rapid standardization," until "it is impossible today to tell one new automobile from another." He called the Fuller Brush Co. "the most successful sales organization in the world," giving as his reason the significant fact that the company "does not bore us with advertising."

An Evening of Relaxation

Even the most enthusiastic seeker for knowledge must relax, and that evening furnished a wonderful opportunity to do just that. The annual dinner and dance, preceded by a cocktail party, was held on Friday evening and was a huge success with dancing until 1:00 A.M.

Unfortunately, 7:30 the following morning came too soon to suit some of us, but we did manage to put in an appearance at a coffee and doughnuts party held in the suite of the president of the Fifth District, to which had been invited members of District 13 of the Credit Women's Breakfast Clubs, whom we were most happy to meet.

That morning, several seminars and group meetings were held, including "Department and Specialty Stores," "Banking and Finance," and "Bakeries and Dairies." Also being held that morning was a joint meeting of the Credit Bureau and Collection Service Divisions in which the delegates were introduced to many new ideas and innovations. These were illustrated by means of movie slides and commented on by Maynard Heacox, executive secretary, Associated Credit Bureaus (Fifth District), and by the various bureau personnel attending the meeting. I believe that the information gleaned from this meeting alone was worth visiting the Conference.

On Saturday afternoon, a Panel and Open Forum Discussion was conducted, with Leonard Berry of the National Retail Credit Association acting as moderator. Questions such as "What is your present rate on direct auto loans and direct financing?" and "What is the

attitude toward personal loans to men in military service?" or again, "What is the major cause of personal loan losses?" were presented for the panel's consideration and suggestions. This is the type of meeting which is of such enormous importance to the credit grantor, one where personal experiences can be discussed and ideas exchanged. Naturally, a great deal of interest was evidenced at this meeting, which could no doubt have continued indefinitely.

Marjorie Girton, president of the Credit Women's Breakfast Clubs of North America, was the guest speaker at a breakfast held in the Junior Ballroom at 8:00 A.M. on Sunday. The title of her talk was "There Is No Accounting for Credit." Miss Girton certainly sets a high example to all Breakfast Clubbers through her enthusiasm and knowledge of credit. She has a delightful sense of humour and inserted various little anecdotes into her talk, with effective results.

Thus ended, at least for Breakfast Clubbers, another well-worth-while Conference, and nothing more was left for Lorene, Hilda, and me to do but to dash for the 10:30 train to Chicago. Fortunately it was late, so we made it. ★★

Vancouver Is Active

This is certainly a Canadian year in the National Retail Credit Association. Not only have we William J. Tate of Ottawa as the first Canadian president of the Association, but the Vancouver Retail Credit Grantors' Association, Vancouver, British Columbia, is the host unit for District 10, N.R.C.A., and the 34th Pacific Northwest Credit Conference to be held in Hotel Vancouver, May 22-24, 1955.

Harold P. Evans, general conference chairman, called a meeting last November and appointed various committee chairmen. The groundwork is being laid for an outstanding conference. Many reservations have already been made and we are looking forward to meeting a record number of our American friends again.

The Vancouver Association has always been ready and willing to lend a helping hand to the smaller centers in promoting their aims and activities. To this end a number of our members attended the annual meeting of the Port Alberni Association, November 22, 1954. Two of our directors, A. B. Gillispie and H. P. Evans, spoke to the meeting on the benefits of bureau and membership cooperation. The Port Alberni Association is losing its dynamic past president, Herb Barnes. Everyone knows what a terrific job Herb has done and it is sincerely hoped that the new executive will continue to carry on with the same enthusiasm instilled by Herb.

The Vancouver Association has always sponsored a well-attended credit educational course, and this year is no exception. Our education chairman, Rod Alanson, obtained the services of Sterling S. Speake, retail credit specialist of the National Retail Credit Association, who conducted a highly successful concentrated four-day course in Vancouver, February 14-17, 1955. The attendance at our monthly meetings has been well maintained and an active interest in the affairs of the Association continues to stimulate and promote the spirit of cooperation to the benefit of all concerned.—Ken Annandale, Consolidated Finance Co., Ltd., Vancouver, B. C., Canada.



Prompt Service Is Essential

AN INCREASE in credit sales for 1955 is the major goal of most credit executives. Service will have an important bearing on the attainment of that goal.

Applicants for credit, a large majority of whom are entitled to credit, will expect their applications approved and merchandise delivered without delay.

Credit granters should cooperate with the Credit Bureau in its effort to furnish reports promptly. To accomplish this, it is necessary that requests for ledger experience be answered immediately and that slow accounts or accounts in an overbought condition be reported at regular intervals.

Good service is a two-way street and calls for close supervision on the part of the bureau manager to see that requests for credit information are given immediate attention. It is also the responsibility of the credit granter to supply complete data on applicants for credit and to answer requests from the Bureau for ledger experience without delay.

Credit granters should use the following guide to improve Credit Bureau Service:

1. Obtain complete information when taking credit application.
2. Request a rush report only if it is actually a rush transaction and merchandise is to be taken by the customer.
3. Answer requests for credit information promptly.
4. Authorize the Credit Bureau to furnish an "in-file" report if credit record has been good for five years and shows activity for that period of time.
5. Be prompt in notifying the Credit Bureau of skips, and accounts past due three months or longer or in an overbought condition.
6. Request a report if account is seriously past due or customer makes unusually large purchases without having arranged in advance to do so.
7. Do not by-pass the Bureau in an effort to save money. It will prove expensive in the long run.

Consistent use of the Credit Bureau will enable you to serve your customers better, to extend credit safely, and to hold past-due accounts and bad-debt losses to a minimum.

General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION

YOUR CREDIT RECORD

is the measuring stick by which all credit grantors judge you.

If you realize that your failure to pay this account may affect your credit standing?

PROTECT YOUR CREDIT BY PAYING PROMPTLY

"Good Credit—
is worth more than all the gold in the world."
Prompt Payment Builds Good Credit—Worth More Than Gold!

Just to Remind You—

that this account has probably been overlooked and we'll appreciate your remittance.

Thank You!

Keep Your Credit Record Good

Whatever your needs may be, a convenient means of making payment is by using a charge account.

A good credit rating, obtained by meeting obligations promptly, enables you to live prettier.

For prompt payment of all charges of bill and contract payments as agreed.

Postpaid Your Credit

Your failure to remit amount now due and to make future payments on time will result in your contract will lose your credit rating.

Make it a habit to pay promptly.

Terms on Monthly Charge Accounts

ACCOUNTS are due and payable upon receipt of bill. They are past due if not paid within 30 days after bill is rendered.

Buy Weekly Pay Promptly

Promptness

You are urged to make prompt and regular payments, in accordance with your agreement.

Paying promptly builds a good credit record.

PAY YOUR ACCOUNT PROMPTLY!

Every charge account that is paid in full each month and each time a bill is rendered, will help to build and maintain a "Prompt Pay" credit record.

Has It Occurred to You —

that your unpaid account, if not paid in full each month, will affect the rating of the credit bureau, may jeopardize your credit standing?

The National Retail Credit Association, of which we are a member, is an informational or educational organization. It is affiliated credit bureaus are maintaining accurate, systematic records on millions of consumers.

• PLEASE protect your credit standing by making payment NOW.

A Friendly Reminder!

An unpaid account will be reported to the credit bureaus. Prompt Payment Builds Good Credit—Worth More Than Gold!

The Credit Bureau

There is a Credit Bureau in this community that keeps a record of your credit standing. If files are open to every credit grantor.

As a cooperating member we do our best to keep a clean and satisfactory account to the best of our ability. It is reported to them, if my account is not remitted. Guard your credit rating by paying all bills promptly.

A SHOPPING CONVENIENCE

Credit is extended at a shopping convenience. But it is more than a convenience. It is a definite help to the user. For most people depend on a monthly salary for their income. With credit, they are able to meet current expenditures out of current income.

• Every charge account that is paid in full each month, and each time a bill is rendered, will help to build and maintain a "Prompt Pay" record.

We have YOUR NAME in this "Who's Who"

As a member of the Credit Bureau we are called upon to report, at frequent intervals, the credit standing of our customers. This report is available to every merchant or professional man who is a member of the Credit Bureau.

Your account with us at the present time is **PAST DUE**. To maintain a good credit record, you should make a payment **NOW** or arrange for an early settlement.

Name _____
Owed to _____
Balance \$_____ Past Due \$_____
Date _____
Guard Your Credit as a Sacred Trust

Just to Remind You—

We know how easy it is to forget. Now you need to remember it is time!

Prompt Payment Builds Good Credit—Worth More Than Gold!

Please!

Now that you've reminded me, won't you send me a check please? Thank You!

Keep Your Credit As "Good As Gold!"

Prompt payment of accounts will help to build and maintain a positive credit record.

Worth More Than Gold!

Prompt Payment

of your account is solicited in the same courteous manner as your patronage. Both are appreciated.

Good Credit

The majority of people feel that only those who meet their own standards are entitled to credit.

The credit you command rests largely on one simple fact—the way you live; not your past history; not your present history—but the way you pay your bills.

Pay all charge accounts in full each month when due.

Of Course We Missed You!

And your account is waiting for you. Come in and see us.

We Value Your Patronage!

Don't Use One Us a Cent!

Well, we've noticed that you will use your charge account this month.

Your Patronage Is Appreciated!

MAIL it to day

The Merchant and Pay Day! Pay Bills Promptly

Just to Remind You—

Credit is built on confidence, your cooperation is important to success.

Now Put It On Your Credit Record!

Buy Weekly Pay Promptly

Just to Remind You—

This is a Blank Statement.

To remind you that we issue your statement to enable you to know what you owe.

Use Your Charge Account!

Credit Is Confidence

Visit! We've noticed it, and hope you will use it often.

Use Your Charge Account!

PAY PROFESSIONAL BILLS PROMPTLY

THE MANNER in which you pay your professional bills has an important bearing on your standing with your clients.

PAT YOUR PHYSICIAN, doctor and hospital, and help to build and maintain a good credit record.

Lost You Forget!

What not used on a check now, when you have it in mind?

Thanks!

10th of the Month

Is the Merchant and Pay Day!

Paying bills promptly helps to maintain a good credit record.

KEEP YOUR PROMISE

Each month, stores receive many accounts to ascertain which can be given credit and which can not. By keeping promises, has a most important bearing on your future credit standing.

Prompt payment of accounts builds a credit record of price value whenever and wherever credit is needed.

How to Build a Good Credit Record

- 1-Pay charge accounts in full within 10 days after receipt of bill.
- 2-Make contract payments on or before due date.
- 3-Guard your credit as a sacred trust.

Past Due!

PROMPT payment of this account is necessary to protect your credit record. Guard Your Credit As a Sacred Trust.

Maintain a Good Credit Record

It is important that a consumer's personal and professional name of North America have a reputation that is good, kind and intelligent—to form a tremendous asset. It is also important to the consumer to be honest in his credit record.

Payment of regular accounts on receipt of bill and payment as agreed will help to maintain a good credit record.

• Has it occurred to you that your unpaid account, if entered against your record in the file of the credit bureau, may jeopardize your credit standing?

• The National Retail Credit Association, of which we are a member, is a national nonprofit organization with more than 32,000 members in the United States, Canada, Alaska, and Hawaii. In the files of its affiliated credit bureaus are maintained the basic of credit reports used by many retailers and others to judge the character and trustworthiness of applicants for credit.

• The purpose of this reminder is to help you protect your credit standing in the community by making payment **NOW**.

Name _____ Address _____
Owed to _____ Due in _____
Balance \$_____ Date _____

THE EMBLEM OF THE NATIONAL RETAIL CREDIT ASSOCIATION

NATIONAL RETAIL CREDIT ASSOCIATION
• Founded in 1913 • International in Scope •
EXECUTIVE OFFICES • ST. LOUIS

MEMBER
National Retail Credit
Association

Stickers and inserts, \$3.00 a 1,000, assorted \$3.50 a 1,000 in lots of 100. Order from N.R.C.A., 375 Jackson Ave., St. Louis 5, Mo.

★

STANDARD APPLICATION FORM

★

(C) HE sale of over four hundred thousand during the past year is conclusive testimony of the popularity of this form. Increase the efficiency of your department by ordering a supply immediately!

Complete in

The actual size of the form (reproduced below) is 6 inches by 9 inches. Printed in one color. Blocked in pads of 100. Prices: 100, \$1.25; 500, \$5.00; and 1,000, \$8.50. Postage is extra.

NATIONAL RETAIL CREDIT ASSOCIATION

375 Jackson Ave.

St. Louis 5, Missouri

every detail . . . spaces for all needed information

designed with the approval of our members

APPLICATION FOR CREDIT
ADOPTED BY AND FOR MEMBERS OF THE
NATIONAL RETAIL CREDIT ASSOCIATION

DATE _____

NUMBER _____					
FULL NAME (HUSBAND FIRST)		FULL GIVEN NAME	INITIAL	SUR.	GOV. NAME, HUSBAND—WIFE'S MAIDEN NAME
ADDRESS		MAIL ADDRESS		TELEPHONE	BORN (MOS.)
BUSINESS ADDRESS		AT WHICH EMPLOYED		BUS. ADDRESS	BORN (MOS.)
BUSINESS OR OCCUPATION		AT WHICH EMPLOYED		BUS. ADDRESS	BORN (MOS.)
PAST BUSINESS OR OCCUPATION		AT WHICH EMPLOYED		BUS. ADDRESS	BORN (MOS.)
WIFE OR HUSBAND EMPLOYED		CAPACITY		BY WHOM	
OWN REAL ESTATE		GIVE LOCATION		MORTGAGED TO	AMOUNT
RENT		PURCHASED, APARTMENT UNFURNISHED, APARTMENT RENTED?		OWNER	ADDRESS
NAME OF NEAREST RELATIVE AND RELATIONSHIP (OTHER THAN HUSBAND OR WIFE)					
PERSONAL REFERENCES		(CIRCLING) NAME			
BANK (NAME OF BANK)		(GIVING) NAME		AFFILIATE, UNION	
LIFE INSURANCE		NAME OF INSURANCE CO.		PER	
TRADE REFERENCES					
FIRM OR STORE		KIND OF MATERIALS SOUGHT	ACCOUNT IS MADE UPON		DATE PAID
LIST ON REVERSE SIDE OF THIS APPLICATION ANY UNPAID BALANCES ON INSTALLMENT ACCOUNTS AND MONTHLY PAYMENTS LIENED ON THE ABOVE INFORMATION IS FOR THE PURPOSE OF OBTAINING CREDIT, AND IS WARRANTED TO BE TRUE. I AGREE TO PAY ALL BILLS UPON RECEIPT OF STATEMENT OR AS OTHERWISE REASONABLY AGREED. SPECIAL TERMS IF ANY.					
SIGNATURE _____					
AMOUNT CREDIT		APPLIED		PAINTED IN U.S.A. FORM RA-1	

JUGENE B. POWER
UNIVERSITY MICROFILMS
313 NO. FIRST ST.
ANN ARBOR, MICH.

★ ★ ★